

FDIS**DAILY REPORT
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REAGAN SPEAKS TO UN SESSION ON DISARMAMENT

OW171954 Beijing XINHUA in English 1940 GMT 17 Jun 82

[Text] United Nations, June 17 (XINHUA) -- U.S. President Ronald Reagan launched a strong counter-attack at the Soviet Union today by accusing it of carrying out global aggression and expansion. In his half-hour speech to the special session of the U.N. General Assembly on disarmament today, the U.S. President played down the Soviet promise "not to be the first to use nuclear weapons" as "empty" and asserted that "we need deeds, not words, to convince us of Soviet sincerity."

He said that in the nuclear era, the major powers bear a special responsibility to ease the sources of conflict and to refrain from aggression. "That is why we are so deeply concerned by Soviet conduct." He accused the Soviet Union of aggressions against Czechoslovakia and Afghanistan. "The decade of so-called detente witnessed the most massive Soviet buildup of military power in history. They increased their defense spending by 40 percent while American defense spending actually declined in the same real terms. Soviet aggression and support for violence around the world have eroded the confidence needed for arms negotiations," he added.

Reagan stated, "While we exercised unilateral restraint they forged ahead and today possess nuclear and conventional forces far in excess of an adequate deterrent capability."

He said that the Soviet promises "are in deep contrast to their performance". "So we have embarked on an effort to renew our strength that had fallen dangerously low. We refuse to become weaker while our potential adversaries remain committed to their imperialist adventures," he added.

He declared, "We stand ready to take the next steps down the road of cooperation through verifiable arms reduction. Agreements on arms control and disarmament can be useful in reinforcing peace; but they are not magic. We should not confuse the signing of agreements with the solving of problems. Simply collecting agreements will not bring peace. Agreements genuinely reinforce peace only when they are kept. Otherwise we are building a paper castle that will be blown away by the winds of war."

President Reagan said: "Let me stress that for agreements to work, both sides must be able to verify compliance. The building of mutual confidence in compliance can only be achieved through greater openness. I encourage the special session on disarmament to endorse the importance of these principles in arms control agreements."

He also accused the Soviet Union of using chemical weapons in Afghanistan, Laos and Kampuchea. He said: "There is conclusive evidence that the Soviet Government has provided toxins for use in Laos and Kampuchea, and are themselves using chemical weapons against freedom fighters in Afghanistan."

He went on to say: "We have repeatedly protested to the Soviet Government, as well as the Governments of Laos and Vietnam, their use of chemical and toxin weapons. We call upon them now to grant full and free access to their countries or to territories they control so that United Nations experts can conduct an effective, independent investigation to verify cessation of these horrors."

U.S. SAID TO DISMISS USSR PLEDGE ON ARMS USE

OW171222 Beijing XINHUA in English 1208 GMT 17 Jun 82

[Text] Washington, Jun 16 (XINHUA) -- The United States today shrugged off the Soviet pledge not to be the first to use nuclear weapons as "unverifiable and unenforceable", and "not an effective way to reduce the danger of nuclear war".

Referring to Brezhnev's pledge read by Soviet Foreign Minister Gromyko to the U.N. disarmament conference yesterday, State Department Spokesman Dean Fischer said, "A simple pledge gives no assurance that an aggressor would not in fact resort to the first use of nuclear weapons during a conflict or crisis." "A pledge of this sort is unverifiable and unenforceable," he said.

He added, "The United States aims both to deter war -- either nuclear or conventional -- and to achieve balanced and verifiable agreements providing for substantial reductions in the level of armaments." "We believe this is a more effective and credible means of reducing the danger of war than a promise not to use nuclear weapons first," Fischer said.

The spokesman reaffirmed President Reagan's position contained in a speech on last November 18 that "no NATO weapons, conventional or nuclear, will ever be used, except in response to attack."

The U.S. insists that given the Soviet Union's enormous conventional forces, a pledge on non-first use of nuclear weapons on the part of NATO, as Secretary Haig noted in his April 6 speech, "would be tantamount to making Europe safe for conventional aggression".

The long-standing U.S. policy has been to hold out the threat of nuclear retaliation against an overwhelming attack by conventional forces, especially in Europe where the Warsaw Pact maintains a major edge in non-nuclear forces.

Fischer announced that Haig and Gromyko will "continue their ongoing series of discussions" Friday at the U.S. mission to the United Nations.

ZHAO ZIYANG MEETS UN INDUSTRIAL OFFICIAL

OW161336 Beijing XINHUA in English 1257 GMT 16 Jun 82

[Text] Beijing, Jun 16 (XINHUA) -- Zhao Ziyang, premier of the State Council, met at Zhongnanhai here today with Dr. 'Abd al-Rahman Khane, executive director of the United Nations Industrial Development Organization, and Mrs. Khane. Cooperation between China and the U.N.I.D.O. has rapidly developed in recent years.

During the conversation, Premier Zhao expressed his appreciation of U.N.I.D.O.'s efforts to promote the development of the Third-World countries' industries. He said China will continue to support the U.N.I.D.O.'s work. He also said he was satisfied with the cooperation between China and the organization and said China will enhance its cooperation with the organization.

Dr. Khane briefed Zhao on the U.N.I.D.O.'s work and plans. He thanked China for its support of the organization.

Present at the meeting were Lu Xuejian, vice-minister of foreign economic relations and trade, and Nessim Shallon, resident coordinator of the United Nations system's operational activities for development.

ACTIVITIES HELD FOR VISITING FOREIGN ATHLETES

Meeting With Wan U

OW171328 Beijing XINHUA in English 1313 GMT 17 Jun 82

[Text] Beijing, June 17 (XINHUA) -- Vice-Premier Wan Li met with the teams from 10 countries that are here for the 1982 Beijing international track and field invitational tournament at the Great Hall of the People this afternoon. The 10 teams represent Czechoslovakia, Finland, the German Democratic Republic, India, Japan, Romania, Thailand, Trinidad and Tobago, the Soviet Union and China. Also attending the meeting were J.B. Holt, general secretary of the International Amateur Athletics Federation, and Mrs. Holt, who have come here on invitation to watch the tournament. On behalf of the Chinese Government, Vice-Premier Wan Li welcomed the participating teams to China for the tournament. He said: "We will learn from your good techniques through the tournament and hope to strengthen the friendship between the people and athletes of China and other countries."

J.B. Holt, on behalf of the teams of the various countries, expressed thanks for China's invitation and warm hospitality.

Present at the meeting were Li Menghua, minister in charge of the Chinese Physical Culture and Sports Commission; Rong Gaotang, the commission's adviser; Xu Yinsheng and Lu Jindong, the commission's vice ministers; Zhong Shitong, president of the Chinese Olympic Committee; and Li Wenyao, chairman of the tournament's organizing committee. The tournament will open at the Beijing Workers Stadium tomorrow and last three days.

Athletic Association Banquet

OW171523 Beijing XINHUA in English 1514 GMT 17 Jun 82

[Text] Beijing, June 17 (XINHUA) -- The organizing committee of the 1982 Beijing international track and field tournament and the Chinese Athletic Association gave a banquet this evening in the Great Hall of the People in honor of the participants in the meet scheduled for June 18-20.

Li Wenyao, chairman of the organizing committee and president of the C.A.A. extended a warm welcome to the participants from Czechoslovakia, Finland, the German Democratic Republic, India, Japan, Romania, Thailand, Trinidad and Tobago and the Soviet Union.

He said the purpose of the tournament is to exchange experience and promote friendship among the athletes. With world famous athletes coming to the tournament, the meet provides a good chance for the Chinese athletes to learn, Li said. "With the common efforts of us all, the tournament, we hope, will contribute to the friendship between the people and athletes of all countries and help raise the level of the athletics," he said.

J.B. Holt, general secretary of the International Amateur Athletics Federation, also spoke at the banquet.

Attending the banquet were Li Menghua, minister in charge of the Chinese Physical Culture and Sports Commission; Rong Gaotang, adviser to the Commission; Xu Yinsheng and Lu Jindong, vice-ministers of the commission; Zong Shitong, president of the Chinese Olympic Committee; and representatives of the Chinese coaches and athletes.

INTERNATIONAL HEARING ON HUMAN ENVIRONMENT ENDS

OW170752 Beijing XINHUA in English 0709 GMT 17 Jun 82

[Text] London, June 16 (XINHUA) -- "Action or disaster" is the slogan of a two-day international public hearing on the human environment which ended here today. More than 100 environmental experts from 39 countries took part in the discussions and debate, the aim of which is to provide the world community with information on the environmental challenges likely to face the world during the next ten years and to exchange views on how to halt environmental degradation.

Many famous scientists made speeches at the two-day hearing. According to their views, the main cause of the changes in the atmosphere is the burning of fossil fuel, including oil and coal. They called on all governments to take measures to control pollution in the atmosphere, including more efficient use of energy, increased use of non-fossil fuels and installation of the best available pollution control technologies at large industrial facilities using fossil fuels.

Many scientists pointed out that soil erosion will be a very serious problem in the human environment during the next ten years if no protecting measure is taken. According to data presented at the hearing, land in tropical regions is more susceptible to erosion than in temperate regions. More than half of India's land suffers from soil degradation as a result of floods, salinity and alkalinity. More than 22 percent of the crop land in Africa is currently at risk from unchecked soil erosion.

It was revealed at the discussions that deforestation is giving rise to various damage in the human environment, especially in tropical moist forests. Some scientists estimated that if deforestation of the tropical moist forests continues at the present rate, one million species could become extinct by the end of this century. One speaker pointed out that more than a quarter of all Central American tropical moist forests has been destroyed since 1960 for the production of beef.

All the participants agreed that the dramatic growth in population and poor management of land and forests are the principal causes of deforestation and soil erosion. They called for closer international cooperation to push the protection of the human environment to a new stage and urged the world community to attach more importance to the environmental issue and mobilize the whole society for environmental protection.

PRC-JAPAN-U.S. CHEMISTRY SEMINAR HELD

OW151306 Beijing XINHUA in English 1201 GMT 15 Jun 82

[Text] Shanghai, June 15 (XINHUA) -- Ninety-nine scientists from China, Japan and the United States of America have convened the second trilateral seminar on organometallic and inorganic chemistry. The organometallic chemistry is closely related with energy, environmental protection, petrochemistry, pharmaceutical industry and organic synthesis. Research of this subject has a significant bearing upon economic construction and the people's livelihood. The first such seminar was held in Beijing in June of 1980.

At the seminar, which began yesterday and will run through June 18, a total of 90 papers on the latest research in organometallic chemistry will be read.

The Shanghai municipal government and the Chinese Academy of Sciences jointly gave a banquet here yesterday evening in honor of all participating scientists. Lu Jiaxi, president of the Chinese Academy of Sciences and one of China's outstanding chemists, attended the banquet.

After the seminar, the foreign participants will tour Beijing, Guangzhou and Xian.

RENMIN RIBAO ON U.S. TIES WITH ASEAN STATES

HK171144 Beijing RENMIN RIBAO in Chinese 17 Jun 82 p 7

[Article by Li Chang [7812 1603] and Han Yan [7281 3508]: "United States Develops Its Relations With ASEAN States"]

[Text] The United States is paying more and more attention to its relations with the ASEAN countries. Starting last year, U.S. Vice President Bush, Secretary of State Haig and Secretary of Defense Weinberger visited one after another the Philippines and Singapore. In the meantime, the U.S. Government's contacts with other ASEAN countries have also been strengthened. The frequent visits of U.S. Government officials to the ASEAN countries have strongly demonstrated U.S. concerns for this region.

There are two main reasons why the United States has to pay close attention to its relations with the ASEAN countries. First, the ASEAN countries have rich resources and their economic development has been relatively rapid. They provide many essential raw materials to the United States as well as important markets for U.S. products. According to reports, U.S. investments in the five ASEAN countries increased from \$3.5 billion in 1975 to more than \$5 billion last year. This investment growth was higher than the U.S. investment growth in any other region. Moreover, the total value of loans and guarantees which the United States has provided to the ASEAN countries through its import-export banks in the last 5 years has amounted to \$2.2 billion. At the same time, the United States has also promised to continue to provide vast loans to the ASEAN countries to assist them in developing their economies and increasing their military strength. The volume of trade between the United States and the ASEAN countries increased from \$11 billion in 1977 to \$22 billion in 1981. Last year, as the U.S. export value to the ASEAN countries amounted to \$8.8 billion, ASEAN was the fifth largest trade partner of the United States in the world. Most of the tin and rubber needed by the United States is imported from the ASEAN countries -- 89 percent of the rubber, 68 percent of the tin, 28 percent of the hardwood, and 5 percent of the petroleum imported into the United States are supplied by the ASEAN countries. On the other side, 20-30 percent of the total export commodities of the ASEAN countries went to the United States. This makes the United States the second largest trade partner of the ASEAN countries.

Second, the ASEAN countries are situated in a position of strategic importance where the Pacific Ocean meets the Indian Ocean. The Straits of Malacca lying between the Malay Peninsula and Sumatra is the "strategic passageway" between the Indian Ocean and the Pacific Ocean. Subic Bay Naval Base and Clark Air Force Base in the Philippines are serving as the "pivotal midway stations" of the United States to provide logistics services to its military forces sent to the western Pacific Ocean and the Indian Ocean. U.S. newspapers have pointed out that Southeast Asia is very important to the United States for maintaining its naval forces and safeguarding its economic interests in the western Pacific Ocean, the Indian Ocean, the Arabian Sea, and the Persian Gulf.

Contending with the Soviet Union for hegemony is another reason for the United States to develop its economic ties and trade relations with the ASEAN countries and to increase its military strength in this region. The Soviet Union has not only backed Vietnam in invading Kampuchea and menacing the safety of the ASEAN countries, but has also turned Cam Ranh Bay in Vietnam into its own military base. Since Cam Ranh Bay is just a short distance away from the Straits of Malacca, the Soviet Union can easily strike a heavy blow at the United States by blockading the Straits of Malacca. Armitage, U.S. deputy assistant secretary of defense, said on 8 June, "This region is facing a more and more serious latent menace, the USSR, which shows no sign of subsiding." He pointed out that these moves by the Soviet Union pose a threat to the transport channel linking the Indian Ocean and the Straits of Malacca which are of life-and-death importance to the United States and its allies.

When paying a visit to Singapore in April this year, Bush announced, "The United States will maintain a strong and stable force in the Pacific region." It is reported that the U.S. Armed Forces and Thailand have recently carried out a joint sea and amphibious manoeuver. The Thai military sources said that this was a joint military operation between the United States and Thailand which was unprecedented in scale. In addition, according to reports by Western media from Pattaya, Thailand, a spokesman of the U.S. 7th Fleet said that the fleet is stepping up war preparations in response to the USSR Navy's large-scale concentration in the Indian Ocean and the Pacific Ocean.

GU MU MEETS NOTED AMERICAN CHEMIST 17 JUN

OW171314 Beijing XINHUA in English 1258 GMT 17 Jun 82

[Text] Beijing, June 17 (XINHUA) -- State Councillor Gu Mu met with noted American chemist, Professor W. Doering, at the Great Hall of the People here today.

Professor Doering, who enjoys much prestige among the world chemists, is a member of the U.S. National Academy of Sciences and director of the Department of Chemistry at Harvard University. He has lectured at Fudan University during his three visits to China since 1980 and is an honorary professor of chemistry at Fudan University.

In their conversation, Councillor Gu praised Professor Doering for his efforts in the training of chemists for China. Vice-Minister of Education Huang Xinbai attended the meeting.

REASONS FOR PROPOSED SOVIET GOLD SALES VIEWED

HK170921 Harbin HEILONGJIANG RIBAO in Chinese 29 May 82 p 1

[Article by Zhong He [0022 0735]: "Why Does the Soviet Union Want To Sell Large Amounts of Gold?"]

[Text] According to a report by the U.S. BUSINESS WEEK of 3 May, in 1981 the Soviet Union was estimated to have sold 275 to 325 tons of gold abroad. This year the Soviet Union will probably sell another 400 tons of gold.

Why does the Soviet Union want to sell so much gold?

In 1981 the Soviet Union had a poor harvest for the third consecutive year and its grain output was short of the target by 60 million tons. According to a Western estimate, the Soviet grain harvest this year will still be very poor. A poor agricultural harvest makes it necessary for the Soviet Union to import grain in greater quantities. Over the past few years, the Soviet deposits of foreign exchange in Western banks have dropped drastically. It originally had deposits of \$9 billion in Western banks, but now there is only \$2 billion left. In the coming year, it will have to spend some \$10 billion on the import of grain. This is one of the reasons why the Soviet Union has to sell gold in great amounts.

According to foreign news agencies, the Soviet bloc may owe a total of \$86 billion to the West. In order to pay off the principal plus interest of the loans, it is also necessary to have a large amount of U.S. dollars. This is probably another reason why the Soviet Union has to sell gold in great amounts.

The burden of the Soviet Union is getting heavier. It has to spend several billion dollars annually to groom its two thugs, Cuba and Vietnam; it has fallen into hopeless straits in its aggression in Afghanistan has to spend as much as \$1 million every day; in order to maintain stability in its "backyard," it has to make some "sacrifices"; and, in order to prop up its forces in the strategic areas of the world, it also has to spend some money. Adding up these amounts, the depressed Soviet economy is in a more difficult position and its state treasury is in more straitened circumstances.

In its attempt to dominate the world, the Soviet Union makes every effort to expand armaments and has to spend as much as \$100 billion on armaments annually. How can the Soviet Union's income cope with such a large amount of expenditure?

At its peak, the price of gold in the world gold bullion market was \$850 an ounce. Recently the price of gold has dropped drastically to \$364 an ounce. Gold traders have predicted that the price of gold may continue to drop. In order to obtain the foreign exchange it needs, the Soviet Union's selling its gold regardless of the price. We can thus see the great trouble the Soviet Union is now confronted with.

IENG SARY ACCUSES SRV OF CHEMICAL WEAPON USE

OW171639 Beijing XINHUA in English 1625 GMT 17 Jun 82

[Text] United Nations, June 16 (XINHUA) -- Democratic Kampuchean Deputy Prime Minister Ieng Sary today accused Vietnam of using Soviet-made chemical weapons to kill innocent Kampucheans. Addressing the second special session of the U.N. General Assembly on disarmament, Ieng Sary said chemical weapons supplied by the Soviet Union have killed "thousands" of Kampucheans.

Between October 1981 and April 1982 alone, he added, about 1,200 people were killed by chemical weapons and 400 others have suffered from serious poisoning. The chemical weapons are an added scourge as large quantities of Soviet-supplied conventional arms have killed several hundred thousand Kampuchean people; he noted.

Ieng Sary said, "Vietnamese forces began to use chemical weapons several weeks after the beginning of their invasion of Kampuchea.... And recently, they have been applying them in remote mountain regions. They even have expanded their use to cities and other places where international inspectors could go," he said.

Ieng Sary said Vietnamese forces have used planes to introduce toxic materials into water systems. The Vietnamese also have used artillery to launch gas-filled shells, he said. "Kampuchea is actually a vast experimental camp for Soviet chemical and bacteriological weapons," he said.

Ieng Sary demanded strict observation by Vietnamese forces of the 1925 Geneva protocol prohibiting the use of chemical and bacteriological weapons and of a 1972 treaty banning the production and stockpiling of bacteriological and toxic weapons. "It is imperative to take effective measures to stop the chemical warfare carried out by Vietnamese and Soviet expansionists against the people of Kampuchea, Laos and Afghanistan," he said. An international meeting on chemical warfare should be held at the earliest possible date.

Ieng Sary said foreign invasions have "kindled war in Kampuchea and other parts of the world." These invasions "have violated U.N. Charter principles and internal law, accelerated arms races and disturbed the international society," he stressed.

HUANG HUA LEAVES FRG FOR LUXEMBOURG 17 JUN

OW171636 Beijing XINHUA in English 1622 GMT 17 Jun 82

[Text] Bonn, Jun 17 (XINHUA) -- Chinese State Councillor and Foreign Minister Huang Hua concluded his three-day official visit to West Germany this morning and left Bonn for Luxembourg by helicopter.

He is now going to Luxembourg, Portugal and Spain for official visits at the invitations of the three governments.

West German Vice Chancellor and Foreign Minister Hans-Dietrich Genscher, West German Ambassador to China, Guenther Schoedel and Chinese Ambassador to West Germany, Zhang Tong saw Huang Hua off at the airport in Bonn.

Huang Hua arrived in Bonn, June 14 and had talks with President Karl Carstens, Chancellor Helmut Schmidt and Foreign Minister Genscher about international issues and the further development of bilateral relations between China and West Germany.

YE JIANYING MEETS 'BRITISH FRIEND' 17 JUN

OW180605 Beijing XINHUA in English 1318 GMT 17 Jun 82

[Text] Beijing, Jun 17 (XINHUA) -- Ye Jianying, vice-chairman of the Central Committee of the Communist Party of China and chairman of the Standing Committee of the National People's Congress, met and had a conversation at his residence here today with British friend Eric Hotung.

Hotung's family and Dr. Sun Yat-sen shared a deep friendship. Sun Yat-sen lodged at Hotung's home on two occasions when he passed through Hong Kong on trips.

During the meeting, Hotung presented Chairman Ye with a photograph of a rally in Hong Kong to welcome Dr. Sun Yat-sen, which was presided over by Hotung's father.

Expressing thanks for the photo, Chairman Ye said that it will be displayed in the former residence of Soong Ching Ling, honorary president of the People's Republic of China.

Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, was present at the meeting.

FRIENDSHIP DELEGATION ENDS FRENCH VISIT

OW161932 Beijing XINHUA in English 1906 GMT 16 Jun 82

[Text] Paris, Jun 16 (XINHUA) -- A delegation of the Chinese People's Association for Friendship With Foreign Countries left here for home today with the impression that Sino-French friendship is rooted deep in the hearts of the French people.

Xie Bangding, head of the delegation, told XINHUA before his departure after a 3-week visit that people of all strata in France attach high importance to China's achievements and role and the promotion of understanding and friendship between the peoples of the two countries.

Louis Bazin, executive chairman, and Mrs. Helene Marchisio, vice chairman of the France-China Friendship Society, saw the delegation off at the airport.

During its stay here, the Chinese delegation was received by Georges Fleche, chairman of the France-China amity group of the French National Assembly in the name of the president of the parliament, and Robert Laucour Net, chairman of the senator's group of France-China amity.

The delegation had been here at the invitation of the France-China Friendship Society on the occasion of the 30th anniversary of the founding of the society.

RENMIN RIBAO ON WAY TO SETTLE MALVINAS DISPUTE

HK181037 Beijing RENMIN RIBAO in Chinese 18 Jun 82 p 6

[Commentator's article: "The Correct Way To Solve the Malvinas Dispute"]

[Text] The commanders of the two belligerent parties on the Malvinas (Falkland) Islands reached a cease-fire agreement on the evening of 14 June. Under the British troops' strong pressure, the Argentine defending troops were forced to agree to retreat from the Malvinas Islands. Having paid a high price, the British expeditionary troops eventually managed to reoccupy the islands. And thus the 2 and 1/2 month fighting between the British and the Argentines in the Malvinas region came to an end. However, the cease-fire did not end the dispute between Britain and Argentina over the Malvinas Islands, and the sovereignty over the islands remains an unsolved issue. The Argentine President Galtieri said on 15 June in a televised speech to the whole country that the end of the Malvinas combat did not imply "the end of the national cause" for which Argentina was striving to resume its sovereignty over the Malvinas Islands; and that Argentina would carry on its fight for this goal. At the same time, the Argentine people also declared with one voice that Argentina never give up its sovereignty over the Malvinas Islands.

The dispute over the Malvinas Islands is an issue left over from the colonial days. Argentina's sovereignty claim, which reflects its national aspiration ever since its independence almost 200 years ago, has enjoyed the sympathy and support of the Third World countries, especially the nonaligned nations and the Latin American countries. After the outbreak of the armed conflict between Britain and Argentina over the Malvinas Islands, the nonaligned nations coordination committee twice issued communiques, reiterating the nonaligned nations' stand to support the Argentine claim for sovereignty over the Malvinas Islands. The Organization of American States twice convened foreign ministers' meetings, denouncing the "unjust and bully offensive" waged by Britain and reiterating its support for Argentina's claim for sovereignty over the Malvinas Islands. The UN Security Council also twice adopted resolutions urging Argentina and Britain to halt their hostilities, withdraw their military forces and seek a peaceful settlement. Furthermore, the UN secretary-general carried out mediations under the mandate of the Security Council. All this is enough to show the international community's strong demand for a reasonable settlement of the Malvinas dispute.

Regrettably, all peace efforts to solve the dispute failed and the armed conflict escalated. This eventually inflicted heavy losses on both parties. From the very beginning, Britain was determined to regain the islands by force. It did not hesitate to dispatch a large fleet on an expedition with large numbers of aircraft and troops, and mounted repeated offensives, resulting in aggravation of the conflict. By putting higher and higher demands, Britain placed one stumbling block after another in front of the mediation efforts of the United Nations and other nations. It vetoed Security Council Resolutions 502 and 505. All this points to its lack of sincerity toward a peaceful solution of the dispute and its resolve to reoccupy the islands by military means. This attitude of Britain has met with extensive world criticism. A temporary military success, far from resolving the Malvinas dispute, would hurt the national feelings of Argentina and other Latin American nations and bring grave consequences on Britain itself.

The U.S. stand toward the Malvinas dispute was condemned by Argentina, the Latin American nations and some Third World nations. As an ally of Britain and Argentina, the United States carried out mediations after the Malvinas dispute broke out. However, the U.S. proposal was not only partial to the British, but also created conditions for the United States to directly meddle in the Malvinas Islands which are important strategic points.

Therefore, it was rejected by Argentina. After its mediation efforts had failed, the United States declared open support for Britain, followed by sanctions against Argentina, to the opposition of most Latin American nations. The United States also provided Britain with huge military aid, vetoed the calls of most Security Council member nations and ignored relevant resolutions of the Organization of American States. These U.S. moves have hampered the peace efforts of the international community, deepened the rift between itself and the Latin American nations and left a scar in its relations with Argentina.

It is the consistent stand of the Chinese people to firmly oppose imperialism, colonialism and hegemonism and to support all Third World nations and people in their just struggle to defend state sovereignty and territorial integrity. The relevant resolution of the nonaligned countries and the Organization of American States' support for Argentina's claim to sovereignty over the Malvinas Islands should be respected and implemented. Only then will this dispute left over by history be justly and rationally solved. This is the correct way to solve the Malvinas dispute. This not only conforms to the interests of the British and Argentine peoples, but is also beneficial to safeguarding peace in the South Atlantic Ocean and in the world.

COLOMBIAN SENATE PRESIDENT DEPARTS FOR HONG KONG

OW171246 Beijing XINHUA in English 1207 GMT 17 Jun 82

[Text] Guangzhou, June 17 (XINHUA) -- Gustavo Dager Ghadid, president of the Colombian Senate, and Mrs. Dager and their party left here by air today for Hong Kong at the end of a friendly visit to China. Seeing them off at the airport was Zhong Ming, vice-chairman of the Standing Committee of the Guangdong Provincial People's Congress.

VENEZUELA PRESIDENT MEETS PRC WOMEN'S DELEGATION

OW160930 Beijing XINHUA in English 0857 GMT 16 Jun 82

[Text] Caracas, June 15 (XINHUA) -- Venezuelan President Luis Herrera Campins said here today that he hoped to see closer exchanges between the official and civilian organizations and associations of Venezuela and China. The president expressed this hope when he received at his residence a delegation of the Chinese National Women's Federation. The delegation is paying a visit at the invitation of the women's front of the Venezuelan ruling Christian Socialist Party.

Since its arrival here on June 7, the Chinese delegation has paid calls on the wife of the president, Mrs. Herrera, and Mercedes Pulido de Briceno, minister of state for women's participation in development. The hosts and guests exchanged experiences in work for the welfare of women and children. The Chinese delegation also visited the Venezuelan children's fund and toured the states of Lara and Guayana.

RENMIN RIBAO URGES STRIVING FOR BUMPER HARVEST

HK180350 Beijing RENMIN RIBAO in Chinese 15 Jun 82 p 1

[Editorial: "Get Mobilized, Seize a Bumper Autumn Harvest"]

[Text] What is the situation of summer production in our rural areas? How is the work of summer harvesting, summer sowing and summer field management progressing? These questions about agricultural production are the common concern of people throughout the country. Messages from everywhere have showed us that hundreds of millions of peasants have already been mobilized to ensure that a good job is done in the summer harvest and to strive to seize a bumper autumn harvest by speeding up summer sowing and summer field management.

Along with the implementation of various rural policies, especially the gradual establishment and improvement of the various forms of the production responsibility system, the superiority of the collective economy has been given full play and the peasants' initiative in taking responsibility for the assigned land and in improving working conditions has been unprecedentedly high. Despite the relative increase in droughts, spring cold waves, and hot drought winds since the winter wheat was sown last year, thanks to careful field management and the great efforts we have made to fight natural calamities, we have only suffered losses in output in the middle and lower basins of the Huang He. However, we have achieved a bumper harvest in all the basin areas of the Chang Jiang and are expecting a good harvest in most parts of southwest and northwest China. We expect that the total output of summer food grain will be the same as last year and that of rapeseed will be increased. At present, the early rice is growing better than last year, the middle-season rice is growing well and the situation of the production of cotton, soybeans, sesame and other industrial crops is greatly improved. However, we also should soberly realize the following unfavorable conditions: Because of the frequent occurrences of natural disasters, we may not be able to fulfill this year's target of increasing summer grain output, and the output of some crops sown in spring May also be affected to a certain degree by these natural disasters; and the prolonged drought and flood in some areas has become a serious threat to summer production. Therefore, seizing a bumper autumn harvest is a very arduous task, and we should never relax our efforts or slacken our vigilance. Leading groups at all levels should make a comprehensive analysis of all favorable and unfavorable conditions and factors and guide the peasants in avoiding the unfavorable factors while employing the favorable factors in order to soundly and satisfactorily carry out production for the whole year.

The autumn grain output constitutes a major part of the grain output of the whole year in our country. Furthermore, most of the industrial crops are also harvested in autumn. This year, as the summer grain production may not reach the planned targets, the fulfillment of the task of increasing the grain output of the whole year will depend on the autumn production. Thus, we must produce 80 percent of the total grain output of the whole year this autumn. This percentage is higher than we have ever achieved in the past; therefore, the task is very arduous. At present we should vigorously do the following two things: on the one hand, we should fully and satisfactorily sow grain and industrial crops this summer. This is especially important for those areas where there was a reduction in their summer grain output. These areas should make a proper readjustment of their original cultivation plans and strive to plant more late-autumn grain crops. They should also make full use of all their land, including the small stretches of land by the side of rivers, lakes, roads and houses that can be used for planting crops. All localities should proceed from their actual conditions, avoid unfavorable conditions, give play to their favorable conditions and strong points and tap their potential. In giving play to their local favorable conditions, they should follow the rational planning of the upper level which has taken into account the whole situation. In carrying out their cultivation plans, they should follow the guidance of the state plan and ensure that enough land is allocated for growing grain. On the other hand, we should pay special attention to scientific farming. We should raise the output per unit of land to increase the total output by sowing at the proper time, strengthening scientific field management, and popularizing fine strains of crops and good methods of farming.

Practice over many years has proved that sowing at the proper time can increase output. This is an important measure to increase autumn grain output. As conditions differ in different areas, so does the proper time for sowing. Generally speaking, ensuring sufficient time for the growth of the crops sown in summer will not only raise output, but also ensure an early harvest of the crops so as to facilitate autumn plowing and sowing. A saying among masses goes: "In spring every day counts, in summer every hour." The experience of the masses has also proved that "to ensure 100 percent of the harvest, 30 percent depends on sowing and 70 percent depends on field management." We should carry out scientific field management in a timely manner for the crops that are sown in spring and reaped in summer, and make efforts to create conditions for increasing output and to reduce the factors that result in losses. In this way we will be able to ensure a sound high output.

Summer production is pressed for time and therefore the task is very heavy. The rural CCP organizations and government departments at all levels should strengthen their leadership, intensify their ideological and political education and fully mobilize and organize the basic-level rural cadres and the broad masses of peasants in order to heighten their sense of responsibility and give play to their initiative in autumn production. At the same time, they should actually help them to solve difficult problems related to their livelihood and production. They should proceed from the fact that in most communes and in production, farming is being carried out on a household basis. Therefore, they should encourage peasants to purchase plowing, threshing, processing and transportation apparatus on their own and to continuously improve their production conditions. Most of the original farming machinery and water conservation facilities that belong to the collective economy have already become a part of the productive force and we should give full play to their role.

Natural disasters often occur during the autumn crop production period and we should always be resolute and persist in fighting natural disasters and striving to achieve a bumper harvest. We should adopt measures to prevent natural disasters and fight against disasters when they occur. According to weather forecasting departments, quite a few natural disasters may occur this summer and autumn. All areas should maintain sharp vigilance and make adequate estimates of possible difficulties in order to make earlier preparations to overcome these difficulties, thus ensuring success.

Leading cadres at all levels should go deep in the frontline of production in order to conduct investigations and study, sum up experience, implement policies and perfect the production responsibility system. They should pay special attention to developing the agricultural productive force, better satisfying the personal interests of the peasants and further mobilizing and protecting the labor initiative of the cadres and masses in the rural areas. All trades and professions should fully support agricultural production by supplying seeds, fertilizer, farming tools, farm chemicals, electric power and fuel, and by providing funds and technology and facilitating the purchases, storing, transportation and contributions to the struggle to achieve a bumper autumn harvest.

RAILWAYS MINISTER DECRIES LAX SAFETY MEASURES

OW180328 Beijing XINHUA Domestic Service in Chinese 1515 GMT 16 Jun 82

[Text] Beijing, 16 Jun (XINHUA) -- The Ministry of Railways called a railway-wide telephone conference this afternoon to transmit the State Council's instructions on a report by the Ministry of Railways about a major accident involving the overturning of the No 193 passenger express train and to relay comments by leading comrades of the State Council on this accident. The telephone conference asked all railway workers and staff members to earnestly draw a lesson from this accident, to quickly improve current railway transportation safety and to see to it that the trains are operated safely and on time in a down-to-earth way.

Railways Minister Chen Puru made a self-criticism at the telephone conference. He said: Leading cadres of the Ministry of Railways, who did not exercise effective leadership in ensuring safety and operations, assumed a lax attitude, failed to impose strict demands and lacked thoroughness in their work style, should bear principal responsibility for the successive serious accidents reported recently. We feel in particular that the major accident involving the Jinzhou railway bureau with an overturned passenger express train was a disgrace to the railway departments. This accident has brought about a very bad impact at home and abroad and caused tremendous economic losses. I, in particular, should assume this serious responsibility. Although the State Council exempted me from punishment to see how I behave, yet my responsibility cannot be alleviated to the slightest extent.

Vice Minister of Railways Li Kefei also spoke at the conference. On behalf of the leadership of the Ministry of Railways, he put forth the following demands to all railway workers and staff members: 1) It is necessary to earnestly relay and study the State Council's instructions and the instructions given by leading comrades of the State Council concerning railway safety in order to make them known to every household and understood by everyone so that all workers and staff members will firmly foster the safety first idea. 2) A strict on-the-job responsibility system and safety responsibility system should be set up from the minister of railways and bureau directors down to the dispatchers and duty officers in stations and sections at the grassroots level so as to ensure safety in every transportation link. It is also necessary to conduct inspection within the scope prescribed by the responsibility system and to commend those who performed well and to strictly deal with those who caused accidents. 3) It is necessary to mobilize the masses in a big way in safety cleanup, in discussion and in inspection. From the ministry down to the stations and sections at the grassroots level, it is necessary to draw a lesson from the several typical cases reported recently, to check out the hidden danger and to adopt measures in order to make everyone think about safety and make contributions in safety operations. 4) It is necessary to consolidate labor discipline in a down-to-earth way and to strengthen ideopolitical work. Leadership at all levels must overcome the soft, weak and lax state of affairs, criticize and educate in a timely manner those who violated labor discipline and operational procedures. Those who kept on violating labor discipline and operational rules thus causing accidents must be sanctioned economically or given administrative punishment and those who committed serious offenses must be investigated to determine criminal responsibility according to law. 5) Steps must be taken to take care of the livelihood of workers and staff members and to solve hardships they faced in their daily life by all means. Apartments for train attendants, lounges, bachelor dormitories and messhalls must be run efficiently to ensure that the train attendants eat and rest well.

The telephone conference also called on the Jinzhou railway bureau to quickly mete out punishment according to the law for those principally responsible for the major accident involving the No 193 passenger express train, and to deal strictly and correctly with those leading members at all levels connected with the accident.

MASS LINE STRESSED IN STRIKING AT ECONOMIC CRIME

OW180420 Beijing Domestic Service in Mandarin 1200 GMT 17 Jun 82

[Station commentary: "In Clamping Down on Serious Economic Crimes, It Is Necessary To Closely Follow the Mass Lines"]

[Text] We must not launch a mass movement to clamp down on serious economic crimes, but must follow the mass line in handling specific cases. This is the correct principle that we must firmly grasp in the struggle against economic crimes. We must refrain from launching a mass movement, much less from raising a hue and cry over the movement and making everyone go through the ordeal, in order to avoid the confusion caused by people taking advantage of the campaign to seek revenge or frame others, thus frightening everyone and undermining political stability and unity. This principle, which has been formulated in light of the reality in our country and on the basis of summing up the profound lesson learned from the previous political movements, is completely correct.

It is a grave mistake for anyone to think that to refrain from a mass movement means not to follow the mass line. Serious economic crimes in recent years were all characterized by collusion between inside and outside or between higher and lower levels which involved broad and intricate links. To solve major criminal cases, it is necessary to rely on the masses and, within a certain limit, mobilize the masses who are familiar with the situation, to honestly report serious crimes to the authorities. In handling certain cases, we may hold discussion among the masses who are directly involved and solicit their opinion in order to reach a fair verdict and educate the masses at the same time. Although economic criminals may resort to extremely cunning tricks, they can never escape the masses' discerning eyes.

In cracking down on economic crimes earlier, many comrades came out boldly to struggle against the criminals by voluntarily reporting clues for solving the cases to the authorities or judicial departments. Families, relatives or friends of some criminals actively reported the crimes to the authorities or persuaded their loved ones to surrender to the police. This shows that the struggle against economic crimes has received popular support and taken deep root among the masses.

The practice in the early stage of the struggle proves that if we closely follow the mass line, we can solve cases in good time, reach fair verdicts and educate a lot of people. On the contrary, if we do not rely on the masses and rely on only a few people, the solutions to crime may be delayed and few people will be educated. Both positive and negative facts tell us that only by closely following the mass line and resolutely implementing the party and government's relevant policies can we surely win an all-round victory in the struggle to clamp down on serious economic crimes.

MACHINE-BUILDING INDUSTRY IMPROVES OUTPUT

OW180217 Beijing XINHUA Domestic Service in Chinese 0013 GMT 17 Jun 82

[Excerpts] Beijing, 17 Jun (XINHUA) -- China's machine-building industry, which experienced a declining production level because of the national economic readjustment, has come out of the "bottom of the valley." A steady upward trend has occurred since the beginning of this year. As of the end of May, the total output value of China's machine-building industry, including the departments under the former First Ministry of Machine Building, instrument and meters industry and farm machinery industry, was 15.9 billion yuan, topping the same period last year by 10 percent. There was also a marked increase in profits delivered to the state, compared with the same period last year. The production level neared the same period of 1977, the previous peak.

In 1981 because of further readjustments in the national economy, the scale of capital construction shrank and fewer machines and electrical products were needed. The production task assigned to machine-building enterprises by the state was only equivalent to some 10 billion yuan in terms of output value, accounting for about a fourth of production capacity. The industry was in danger of incurring losses. Under these circumstances, in keeping with the guidelines of the 3d Plenary Session of the 11th CCP Central Committee, the machine-building industrial departments gradually reformed their planning and management and discarded the previous methods of management characterized by exclusive reliance on the state for assignment of production tasks, allocation of raw materials and sales of products. Having ensured the fulfillment of the production tasks assigned by the state, they proceeded to strengthen planned guidance and bring out the supplementary role of market regulation. According to market needs, the enterprises opened up more avenues for production and expanded their scope of service. As a result, in 1981 departments under the former First Ministry of Machine Building registered a total output value of 27.3 billion yuan. Instead of incurring losses, they delivered 3 billion yuan in profits to the state.

New problems have also cropped up in the course of market regulation. For instance, some full-scale key enterprises are unable to keep their production tasks steady because they lack the ability to meet changing needs; some popular items are being manufactured by too many enterprises, resulting in repetitious production; prices of some products are hard to control and some small and medium-sized enterprises cannot guarantee the product quality required by contracts. The Ministry of Machine Building is looking into these problems and is taking appropriate remedial measures.

CENTRAL DEPARTMENTS STUDY WORK FOR INTELLECTUALS

OW171135 Beijing XINHUA Domestic Service in Chinese 1319 GMT 15 Jun 82

[Text] Beijing, 15 Jun (XINHUA) -- The Organization Department, the Propaganda Department and the United Front Work Department of the CCP Central Committee, the State Scientific and Technological Commission and the Ministry of Labor and Personnel recently dispatched 5 inspection teams to provinces, municipalities and autonomous regions to inspect work for intellectuals. The inspection teams departed in late May and early June.

In January 1982 the CCP Central Committee issued a "Circular on Conducting an Inspection on Work for Intellectuals." The circular called on the whole party to seriously conduct an inspection on work for intellectuals in the first half of this year. It urged the party committees at various levels to study and improve measures for implementing the party's policies towards intellectuals and returned Overseas Chinese and strive to score rapid successes.

After issuing the circular, the party committees at various levels have attached importance to, and have successively conducted inspections on, work for intellectuals. Many leading comrades in various provinces, municipalities and autonomous regions have personally taken up inspection work. Some leading comrades have also led inspection teams to grassroots units to talk to the intellectuals, hold forums with them and try to understand the implementation of the work for intellectuals and the existing problems. Proceeding from reality, some have conducted education in party policy on intellectuals to eliminate "leftist" ideological influence, clarify muddled ideas and raise cadres' understanding of the status and role of intellectuals in the new period. They have also made efforts to solve some imperative issues which have an adverse effect on bringing into play the role of intellectuals. Regarding those problems which cannot be currently solved, they have worked out measures to gradually solve them. In places and units where work for intellectuals has been carried out, cadres are educated and intellectuals are touched by the party's concern and are further inspired to build up socialism. However, while inspecting work for intellectuals, some places and units have not gone to the heart of the matter, nor have they earnestly analyzed contradictions to solve individual problems. They are satisfied with transmitting documents handed down from upper levels. The practice of formalism has made work for intellectuals seem perfunctory and superficial.

The inspection teams sent by the various central departments will try to understand work for intellectuals in various localities, exchange good experiences and solve existing problems in a move to further carry out party policy on intellectuals.

GUANGMING RIBAO AIRS PROBLEMS OF INTELLECTUALS

HK150255 Beijing ZHONGGUO XINWEN SHE in Chinese 0145 GMT 15 Jun 82

[Text] Beijing, 15 Jun (ZHONGGUO XINWEN SHE) -- The GUANGMING RIBAO commentator points out today in an article on intellectuals that the leading cadres at all levels must strengthen ties with the intellectuals, especially those experts with outstanding special skills and those who have made relatively great contributions, promote mutual understanding, and personally get to work to help them solve a number of problems.

In January the CCP proposed to the whole party that a serious inspection be carried out of the party's work concerning intellectuals. Today's commentator's article is published for this purpose. It holds that, viewing the country as a whole, the great majority of local party organizations in the country have adopted a serious attitude in inspecting the work concerning intellectuals and scored success in this work. However, phenomena of formalism and superficiality exist in certain units.

The article puts forward the following criticisms: Even today some people still do not acknowledge that the great majority of intellectuals in China have become a part of the working class and a force to rely on in building up the motherland; they are unwilling to make friends with them and do not feel like exerting efforts to help them to continually forge ahead in politics, ideology and professional work. There are also some people who hold that wages and housing are the only problems of intellectuals that need to be solved, and neglect a large number of other problems hampering the effort to bring their role into full play, such as misemployment, lack of political "equal treatment without discrimination," incomplete rehabilitation, and long periods of separation of husbands and wives. They do not exert themselves to solve a number of problems that could have been solved either under existing conditions or by tapping potentials.

The article demands that all areas and units must, by carrying out this inspection, conduct education for the cadres in policies regarding intellectuals and returned Overseas Chinese, seriously solve a number of their practical problems, and regard the questions of whether they have mobilized the activism of the intellectuals, brought their talent into full play and gained results thereby as an important hallmark for judging whether they have completed their work tasks well or badly.

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PLA POLITICAL DEPARTMENT RECEIVES SUZHOU ARTISTS

OW171231 Beijing XINHUA Domestic Service in Chinese 1615 GMT 16 Jun 82

[Excerpts] Beijing, 16 Jun (XINHUA) -- Leading comrades of the PLA General Political Department this afternoon received Xie Xiaozhi, head of a visiting group of Suzhou city painters and calligraphers who had visited the frontier area of Faka and Koulin Mountains, and held a cordial forum with him.

Xie Xiaozhi, 78, is a member of the Central Committee of the China Association for Promoting Democracy, vice chairman of the Suzhou Municipal People's Congress and honorary chairman of the Suzhou Municipal Federation of Literary and Art Circles.

Imbued with profound feelings for the people's soldiers, he had led the delegation of Suzhou city painters and calligraphers to visit the frontier area along the Guangxi and Yunnan border for a month during the Spring Festival this year. At the frontier, the members of the delegation greeted the border guards and called on many heroes. During their tour, they drew many pictures and practiced calligraphy many times in praise of the people's army, greatly inspiring the border guards.

Hua Nan, deputy director of the PLA General Political Department, made a speech. On behalf of the leading organs of the PLA General Political Department, he thanked Suzhou's painting and calligraphy circles and the people for their kind concern for the people's army.

The forum was presided over by Huang Yukun, deputy director of the PLA General Political Department. Also present at the reception was Yan Jinsheng, deputy director of the PLA General Political Department.

CIVIL AFFAIRS MINISTRY CIRCULAR ON ARMY DAY

OW180637 Beijing XINHUA Domestic Service in Chinese 0219 GMT 18 Jun 82

[Text] Beijing, 18 Jun (XINHUA) -- The Ministry of Civil Affairs recently issued a circular calling on civil affairs departments at all levels to launch in-depth activities to support the army and give preferential treatment to families of armymen and martyrs in commemorating the 55th anniversary of the founding of the Chinese PLA.

The circular called on various localities to carry out different forms of activities around "1 August" to publicize the tremendous contributions made by the PLA in the Chinese people's revolution and construction in the past 55 years, to carry out education among the masses of the people on patriotism with love for the CCP, the socialist motherland and the people's army, and to further restore and carry forward the glorious traditions of supporting the army and giving preferential treatment to the families of armymen and martyrs in order to strengthen the unity between the army and the government and between the army and the people.

The circular asked that on the red letter day, all localities where an army unit is stationed should, under the auspices of leading local party and government comrades, pay visits to local army units, carry out comfort activities, solicit their opinions about local work and help solve those problems that can and should be solved. Various localities, in the meantime, may organize local government organs, schools, factories and mines and enterprises for get-togethers with the local army units and pay comfort visits among them. When local conditions permit, localities may also invite veteran army comrades, heroes, model personages and retired Red Army veterans to make reports to students at schools to educate the youth on patriotism and revolutionary heroism.

The Ministry of Civil Affairs also called on various localities to organize forces to check, around the red letter day, on the work of supporting the army and giving preferential treatment to the families of armymen and martyrs as well as on placement for demobilized armymen and to solve existing problems in a down-to-earth way.

In the meantime, recipients of special care, advanced individuals and advanced units in supporting the army and giving preferential treatment to the families of army men and martyrs, and those advanced units giving special care to disabled army men and to the families of army men and martyrs, must be commended so as to promote the work in these two areas and to mobilize the initiative of large numbers of recipients of special care in developing socialist material and spiritual civilization.

ECONOMISTS AT CPPCC CONSTITUTION PANEL SESSION

OW180834 Beijing XINHUA in English 1301 GMT 17 Jun 82

[Text] Beijing, June 17 (XINHUA) -- A planned economy is a basic feature of the socialist economy, according to Professor Tao Dayong, director of the department of economics at Beijing Normal University. Tao, along with several other Chinese economists, spoke today at a meeting to discuss the draft of the revised constitution of the People's Republic of China.

The 64-year-old economist said the draft stipulates: "The state plans the national economy on the basis of socialist public ownership. It ensures the proportionate and coordinated development of the national economy through the comprehensive balancing of economic plans, with market regulation as a subsidiary." This stipulation is a programmatic provision, he said.

He said that a planned economy is a basic feature of the socialist economy and it was born as the opposite of the capitalist anarchy economy. "Where the socialist public ownership holds absolute predominance, it is only the planned economy that holds a dominate position, though there exist diversified economic sectors," he said. "In fact, socialism cannot exist without planned economy," Tao said.

Referring to relations between planning and the market, he said: "We implement a planned economy and persist along a socialist road on one hand, and on the other hand we develop commodity production and commodity exchange, so as to speed up the socialist modernizations."

He said, "We must also make full use of market regulation as a subsidiary."

Huang Liangchen, adviser to the Ministry of Commerce, said the draft affirms China's policy of practicing diversified forms of economy on the basis of the socialist public ownership as the dominant force in the national economy. He said: "This policy accords with the development of the productive forces in China and suits the needs of the people, and it can help enlarge employment, further flourish the rural economy, and increase commercial retail and service networks and workers."

Professor Wu Dakun, head of the teaching and research section of world economics at Chinese People's University, said the stipulation in the draft permitting foreigners to invest in China is necessary and will benefit the socialist economic construction. He said: "This shows that the policy of opening to the outside world is China's firm and unshakable principle, and not an expedient measure." He suggested that a comprehensive set of policies, laws and decrees for the foreign investors be drawn up as soon as possible, and that more technical specialists be trained.

The meeting, held by the C.P.P.C.C. National Committee, was presided over by Rong Yiren, vice-charman of the committee. More discussions on the draft of the revised constitution will be held by the National Committee.

GROWTH OF LIGHT, HEAVY INDUSTRIES NOTED

OW121420 Beijing XINHUA in English 1236 GMT 12 Jun 82

[Text] Beijing, June 12 (XINHUA) -- While light industry continued its rapid growth, heavy industry registered a marked rise in output in the first five months of this year over the same period of last year. Another outstanding feature was the expansion of the energy industry. This was announced at a work conference called today by the State Economic Commission.

China's industrial output value totalled more than 223,900 million yuan in the first five months of this year, 10.7 percent more than in the same 1981 period. Output value of light industry rose 11.9 percent while that of heavy industry, when went down slightly in 1981, rose 9.6 percent between January and May of this year compared with the like period a year ago.

The proportion taken up by heavy industry in the country's total industrial output value tends to increase. Last month, output of heavy industry exceeded that of light industry.

Output of steel, rolled steel, pig iron and ten kinds of non-ferrous metals increased month by month between January and May. Rolled steel output in the five months already approached the semi-annual output target. The demand for steel plates and ferro-alloys has gone up.

Following the expansion of the rural economy, production of hand tractors was stepped up to meet the growing demand.

Output of coal, crude oil and power all exceeded state plans in the first five months of this year.

Of the 100 major industrial products, output of 81 rose in the January-May period over the same 1981 period. State-owned enterprises turned over ten percent more profits and taxes to the state than in the corresponding period of 1981, while production costs dropped by 0.2 percent.

Based on the results of the first five months, the State Economic Commission pointed out that there are good prospects for fulfilling China's 1982 plan for industrial production. The emphasis in the coming seven months of this year is still to be placed on improving the economic results of industrial production. To this end, the commission calls for the following measures:

- strengthen market surveys and control production of those products in excessive supply;
- improve commodity circulation and promote sales in both urban and rural areas; meet the changing needs of the peasants for consumer goods following the rise in their living standards;
- continue to economize on the use of energy;
- give priority to the transportation of coal, petroleum, pharmaceuticals and goods needed by agriculture;
- streamline enterprises and improve their management;
- make studies for the drawing up of the 1983 plans.

PEASANT INCOME FROM DOMESTIC SIDELINES INCREASES

OW131750 Beijing XINHUA in English 1510 GMT 13 Jun 82

[Text] Beijing, June 13 (XINHUA) -- Chinese peasants' income derived from their domestic sidelines increased 2.3 times in the three years from 1979 to 1981. This is based on a survey made by the State Statistical Bureau of 18,529 peasant families in 568 countries in all provinces, municipalities and autonomous regions except Tibet and Taiwan.

From their domestic sidelines, these families earned an annual income averaging 84.52 yuan per capita in 1981, 48.73 yuan more than in 1978. The income from domestic sidelines accounted for more than one-third of the total annual income of these families in 1981 as against one-fourth three years ago. Figures published by the State Statistical Bureau earlier show that these families' total annual income from all sources averaged 223.4 yuan per capita in 1981, 89.8 yuan more than in 1978.

Following the expansion of farm plots allocated by the production teams for the private use of the peasant families, they now reap more grain and industrial crops from the private plots. Moreover, the scope of management of their domestic sideline production has been enlarged. The survey shows the following changes:

-- The peasant families are raising more livestock and poultry than before. Each peasant family produced an average of 97.5 kilograms of pork, beef and mutton in 1981, 53 percent over 1978. The amount of meat they kept for their own consumption also increased.

-- On average each family member earned 2.33 yuan more from domestic handicraft industry in 1981 compared with 1978, and 10.74 yuan more from building industry, transport and service trades.

-- More families are now specialized in livestock and poultry raising, fish breeding or other sidelines. Of the 360 families surveyed in Jilin Province, five percent are now specializing in sideline undertakings. The net income derived from domestic sidelines by the "specialized families" is double that of other peasant families.

The survey also shows that with every 100 yuan of investment, the 18,529 families netted an average of 277 yuan from their domestic sidelines in 1981 as against 196 yuan in 1978.

RENMIN RIBAO ON UNIVERSITY SPIRITUAL EDUCATION

HK180341 Beijing RENMIN RIBAO in Chinese 13 Jun 82 p 3

[Article by Zhu Gang [2612 0474] of the Nanjing Jinling Vocational University: "Build the University Into a Fortress of Spiritual Civilization"]

[Text] Editor's note: Comrade Zhu Gang is the secretary of the CCP Central Committee and president of the Nanjing Jinling Vocational University (herein called Jinling University for short). In the autumn of 1980, he was responsible for setting up a vocational university in which "the students are nonresident and study at their own expense; no job will be assigned to them after their graduation, but the best will be chosen and recommended for employment." He has his own original ideas on the building of the spiritual civilization of the university and is bold in applying them in practice. This explanatory article was written on the basis of his speech. [end editor's note]

The Jinling University has been open for 18 months. With regard to the building of spiritual civilization, we have only taken the first step and there are many shortcomings in our work. Our success will be severely tested by the performance of our graduates in the society. However, we are confident of what we have done.

Some people have said that since our present general mood of society has not been basically improved, it is beyond our power to build spiritual civilization in the university. I hold different views on this matter. I believe that we should not blame the society for all the faults. We should realize that we have better conditions in the university than the society has to educate the youths well. As long as we exert unswerving efforts, are good at giving systematic guidance and adopt effective methods, we can accomplish much in our work. All students of the Jinling University are nonresident. Compared with resident students of other universities, they are more adversely affected by the society.

In addition, they are scattered in 33 classes located at 16 sites. It is difficult to carry out our ideological work. However, the practice of the past year has precisely shown that poor conditions are not necessarily an obstruction to education. Our efforts to overcome these poor conditions can become the students' motive force in going all out to make progress.

Under the present conditions that our party's work style and the general mood of the society are gradually improving, I believe that universities should further bring the role of political work into full play to resist spiritual corrosion from various quarters and believe that our universities should be built into fortresses of spiritual civilization. Of course, we should do arduous work in order to attain this aim. According to my initial experience, we should solve in practice the following problems well:

First, we should be clear about what kind of talented people a university should nurture and train. For many years, we implemented either a leftist or rightist policy toward this problem as political stormy waves kept changing. We were not able to integrate theory with practice. Basically speaking, we are not clear, or at least not sufficiently clear about the aim of our education. We, education workers, should shoulder the task of reforming the society. University education should bring up a new generation of youths who have lofty ideas, creative talent, and lofty values and who are physically sound, diligent in making new explorations and bold in scaling new heights. After graduation they will truly become pillars of socialist modernization. To attain this aim, while running a university, we should follow a firm and correct political orientation, pursue the work style of hard work and plain living and adopt a scientific attitude of seeking truth from facts. This was the tradition of the Chinese people's anti-Japanese military and political college during the war years. This should also become the spirit of our present-day socialist universities.

Some people said that such demands were too excessive and impractical and were not in accord with the level of consciousness of the young students nowadays. Some people even opposed my efforts to revive the tradition of the anti-Japanese military and political college. I believe that it is precisely because of the unhealthy general mood of the society and the spiritual wounds and adverse influence inflicted on a number of youths, that we should exert our major efforts to do arduous and painstaking work so that our young people will be diverted from the wrong path. At present, there are sufficient conditions for building our universities into fortresses of spiritual civilization. It is absolutely possible for us to do so because the party has adopted a correct line and policy since the third plenary session of the party. In addition, the principle of upholding the four modernizations has been included in our constitution. All Chinese citizens should abide by our constitution and university students should take the lead in doing so. At present, young students have muddled ideas of this or that kind. They should not be blamed too much for this. On the contrary, we should soberly realize that this should mostly be attributed to the serious shortcomings in our educational work. I believe that most of our young people have a vast reservoir of enthusiasm for seeking truth. They bitterly hate the unhealthy general mood of the society and sincerely hope that our party will vigorously promote a new work style. They are willing to make contribution in this respect. This is their main ideological trend. In the meantime, we should realize that they are, after all, still young and politically immature and were adversely influenced during the 10 chaotic years. Their concept of right and wrong is confused and they lack the ability to distinguish spiritual contamination from various quarters. Some of our young people are dissatisfied with the present reality. But they lack the willpower to carry out struggle. Therefore, they are perplexed over the situation. To change such spiritual conditions, the previous sermon-like political education will no longer work. Rude and coercive measures will never get the desired result. On the contrary, it will widen the gaps between them and ourselves. We should observe young people carefully, guide them patiently and understand them profoundly. We should infuse truth into their minds and in time the glorious banner of communism will be hoisted again in their minds. This is a new task confronting our educational workers. Therefore, I firmly believe that to build spiritual civilization in the universities, we should, first of all, exert our main efforts to reform our education system. Otherwise, we will not be able to train a generation of people of a new type needed by the party.

Second, in order to build spiritual civilization, we should have a contingent carrying out the task. After the setting up of our university, the first thing we grasped was the building of our school spirit. To do the work well, apart from bringing into full play the role of the CCP and CYL organizations at all levels and the broad masses of teachers, we should establish a contingent of class masters who are conscious, capable and prestigious. This is a specialized contingent which constantly carries out political and ideological work and is an indispensable bridge between the party committee and students performing the task of promoting ideological understanding and exchanging information.

There are 33 classes in the Jinling University and a class master is assigned to each class. Most of the class masters are university graduates or graduates of training schools. Some of them are teachers transferred from other places or comrades who formerly ran schools. Just after they entered our university, they did not keep their minds on the work of class masters. They wrongly thought that if they engaged in the work of class masters, they would abandon their specialized subjects of study and have neither learning nor skill. They wanted to engage in teaching work. We discussed with them the tradition of the anti-Japanese military and political college and stressed the importance of political work in present-day universities. Instead of yielding to their personal desires, we set four demands on them: first, they should be prepared to bear hardship; second, they should be prepared to suffer losses; third, they should be prepared to accept the job assignment and do anything which the party organization needs; fourth, they should make the fullest possible use of the eight working hours and go all out to do their work well. We want them to sacrifice some of their personal interests and achieve good results in their work. They should use their glorious deeds to write the history of the founding the Jinling University. We use these conditions to test them. We let those who are determined to work hard stay. As for those who are not willing to stay, we do not force them to.

It is strange that our demands do not scare away but attract a number of comrades who are determined to carry out educational reform and make explorations and affect new breakthroughs in the positions of class masters. Over the past year or so, this contingent has accumulated some experiences in doing political and ideological work in practice and acquired prestige among students. The words and deeds of the members of this contingent have exerted a subtle influence of students and some class masters have become the intimate friends of students.

Third, leaders of the university personally go deep into classes, form direct links and talks with students. Once they discover the symptom of a trend, they spare no efforts in paying close attention to it until certain changes have been brought about. We never yield to evil trends or are influenced by backward ideas. By relying on the majority of students, we firmly encourage healthy trends, eliminate noxious influences and foster a spirit of uprightness. After solving this problem well, we can enhance the prestige of political work.

A university is a place where people are educated and not even a little bureaucracy can be tolerated while dealing with things in the university. I believe that we must pay attention to even the smallest matter in the university. If we fail to grasp it, it will become a big problem. This is because the university itself is a society and evil trends prevailing in the society will be reflected in the university. This is independent of our subjective will. It is our responsibility to use the effect of the party's political work to curb the spread of the evil trends and eliminate their influence. Through education and other methods, we will help students make a clear distinction between right and wrong and enhance their capability to combat spiritual contamination.

Let us cite an example. In April of last year, a boy student quarrelled with a girl student when a volleyball match was held at the university. Since I was watching the match, I criticized the boy student and asked him his name and class. He said that he was studying in the factory and civil building construction class. The next day I asked the class master of this class something about the student. He said that this student was not in his class.

I thought although this was a trivial matter, the prestige of our work would be weakened if we tolerated such a deceitful act. I decided to use an afternoon to look into the records of more than 300 students. Eventually the whole thing came to light. Actually he was a student of the architectural class. To deal with this, we provided this student with individual education on the matter. After realizing his mistakes, he wrote a self-criticism which we published in the bulletin of the university. Taking his self-esteem into consideration, we did not criticize him by name. However, this matter left a deep impression on other students.

In spite of the fact that we have firmly grasped ideological work, a small number of students still commit mistakes because of the influence of the society. In accordance with the principle of taking good care of students, we take firm action to educate and enlighten them so that they will correct their mistakes. Even if we want to punish them, we do our ideological work thoroughly. Once they correct their mistakes, we rescind the punishment immediately to encourage them to make still greater progress. At the same time, in the process of educating these students, we try to find out the weak links in our work, sum up experience and do our best to improve our work. Strictly speaking, the university should be responsible for the mistakes committed by students.

Fourth, members of the CCP committee of the university should set an example by their own conduct. They can only ask the students to do things which they do themselves. Their conduct is a kind of imperceptible teaching. The material conditions of Jinling University are the worst among universities in Nanjing. To use the limited funds in teaching, we encourage students to overcome the transient difficulties and take hard struggle as an honor and doing pioneering work as a pleasure. To do so, the CCP committee of the university should set an example and seek no personal privileges. It should be the first to bear hardship and the last to enjoy comforts. Some leading comrades of the municipal CCP committee suggested that we buy a car. We decided to use the money to buy books needed in teaching. Every day I ride a bicycle to go to work and the units concerned. It is a good way of building up by physical strength and maintaining close links with the masses.

We have compiled a "students' manual" for teachers and students of the whole university, which carried the teachings of the party Central Committee, revolutionary teachers and revolutionaries of the older generation; students' rules and regulations; regulations for five-good students and the school song of the Jinling University compiled by ourselves. Everyone in the university sings the song, reads the manual and observes the rules and regulations. Members of the CCP committee of the university are no exceptions. Some people sneer at us, saying that we are following "orthodox ideas." We maintain that such revolutionary tradition should never be cast away. I firmly believe that if we persist in doing so, we will be able to foster an excellent school spirit in 3 to 5 years and lay a solid foundation for the building of a fortress of spiritual civilization.

RENMIN RIBAO ON RESTRUCTURING ECONOMIC SYSTEM

HK170847 Beijing RENMIN RIBAO in Chinese 11 Jun 82 p 5

[Article by Yu Guangyuan [0060 0342 6678]: "Holding Discussions on Questions Concerning the Theories on Restructuring the Economic System"]

I

[Text] Today, the State Economic System Restructuring Commission and the Economic Research Center under the State Council have mobilized the economic research organs and economic organizations in Beijing to hold discussion on questions concerning the theories on restructuring the economic system of our country. I think that this is extremely necessary.

As everybody knows, making a success of the work of restructuring the socialist economic system requires the solving of many questions concerning theory, and moreover, these questions are rather difficult to solve. Therefore, it will not do for us not to make an effort to study theory. Theory must play the guiding role and take the lead.

The study of questions concerning the theories on restructuring the economic system has not been as enthusiastic in recent years as in 1979 and 1980. After this mobilization, there may be a new upsurge in the study and discussion of this question. This is a question which affects many people and many people are interested in it. There are bound to be all kinds of views and ideas and we should allow their discussion. Although it is still not the time to extensively mobilize the masses to discuss this question at present, study and discussion of this question should be developed among more people.

II

The restructuring of the socialist economic system is an important matter in contemporary world history. Since World War II, almost all socialist countries have brought up this question sooner or later. This matter of the restructuring of the economic system will have an important impact on the economic and political life of socialist countries. We may regard this as another change of historical significance after carrying out the socialist transformation of private ownership of the means of production in socialist countries. Once this matter is carried out in socialist countries, the broad masses of cadres and people in socialist countries will naturally attach a high degree of importance to it. However, not only the people of socialist countries will take an interest in this matter. Scholars of capitalist countries will also closely follow and study it. Politicians of capitalist countries will also write about it in their articles. This is not at all surprising, for the success or failure of the restructuring of the socialist economic system will have a bearing not only on the destiny of socialist countries, but it will also have an important impact on the historical progress of the whole world, including that of capitalist countries.

For China, the restructuring of the socialist economic system is an important matter concerning building China into a strong and modern socialist country with a high degree of democracy and civilization. At present it is necessary to stress the importance of economic readjustment, but we definitely cannot relegate the position of restructuring. In this discussion on the economic system, we should first define the important historical position of system restructuring.

III

It is necessary to define the scope and nature of the questions to be studied and discussed. I hold that we should distinguish between the two different concepts: one is the basic economic system of socialism and the other is the economic system of socialism. What the basic economic system of socialism refers to is that all socialist countries throughout the socialist historical period practice this kind of economic system, and that the means of production are publicly owned by society, distribution is made according to work and there are socialist commodities. The socialist economic system is different in different socialist countries or in different periods in the same socialist country. They are both specific economic relations established on the basic economic system of socialism. Therefore, in socialistic countries, there can only be the question of upholding and perfecting the basic economic system of socialism and there cannot be the question of restructuring. However, the socialist economic system can and must carry out restructuring and rationalization according to needs. The restructuring of the socialist economic system is to find implement, consolidate and develop a whole set of specific socialist relations of production. It plays a promotional role in consolidating and perfecting the basic economic system of socialism.

The content of the restructuring of the socialist economic system in our country consists of two aspects: one is the restructuring of the management system within the socialist staterun economy and the other is the restructuring of the socialist ownership system. Under the historical condition of our country today, we still must allow the existence of certain nonsocialist economic components and place them in the service of socialist economic development. This does not belong to the category of restructuring the socialist economic system.

The restructuring of the economic system is a matter within the category of restructuring the socialist relations of production. The socialist ownership structure refers to certain forms of socialist ownership as well as the condition of relations between them in the economic system. Among the various forms of socialist ownership in our country, socialist state ownership has absolute superiority and its scale is extremely large. In the state, the enterprises, the individual, the localities and the departments, internal relations are very complicated. Therefore, the question of restructuring the socialist state-run economic management system should independently become the most important content in social economic reform. In the course of studying the question of restructuring the management system within the socialist state ownership economy, we must objectively take into consideration the economic problems within the socialist state-run economy and also study what form the state-run economic system should take after restructuring.

IV

The study of theories on restructuring the socialist economic system is also the carrying out of a theoretical summing up of relevant aspects of the economic system in the historical experiences of socialist economic construction. With the world framework, all experiences since the October Revolution are background materials which we must take into consideration when studying questions concerning the theories on the socialist economic system. The experiences of various socialist countries in the more than 30 years since Yugoslavia started practicing worker self-management in the 1950's are even more directly related to the study of questions on the restructuring of the economic system. That is to say the world has two types of materials covering more than 60 years and more than 30 years. In China, there are two types of materials, one from the more than 30 years since the founding of the People's Republic and the other from the 4 years since the proposal for restructuring the system.

There is no need for us to elaborate on the importance of studying historical experiences. We want to point out in particular that this kind of study is not so easy, because we must first study the activities made by people in history and the results obtained in the historical environment of that particular time and place before we can draw the correct conclusion. For example, our economic development during the First 5-Year Plan was relatively smooth and this has been the consensus of everyone. However, can we say that the economic system of our country at that time was the best?

I think that on such important questions in theory and practice as the restructuring of the socialist economic system, differences in the views and understanding of many scholars who study this question are unavoidable, and there will even be some nonmarxist and anti-Marxist views. Even among the ranks of Marxists, views on questions concerning the theories on restructuring the economic system will also not be completely identical. If some of the questions are not clearly studied, views on some of the questions will in a certain sense still be rather confused. I think that under this kind of situation, a cautious attitude should be adopted in saying which of these views is Marxist and which is anti-Marxist. In short, we must allow the discussion of various expressed views, draw conclusions by means of study, and, in certain cases, also base conclusions on facts.

V

One of the questions we must study at present is how to uphold the basic economic system of socialism. The basic economic system of socialism determines the economic life of society (including such aspects as production, distribution and consumption) and possesses the basic features of socialism. We must uphold these basic features and continue to perfect them.

For example, what the socialist countries practice is planned economy. Planning is the basic feature of socialist economy. The restructuring of the socialist economic system should improve planning and must not weaken or reduce planning.

The question at present is how can we improve planning? Planning is for the sake of enabling the movement and development of the national economy to be carried out in accordance with predetermined plans. To achieve this, planning itself must be scientific. At the same time, there must be a set of methods for ensuring and improving planning. The handing down of plans in the form of directives, or in fact plans that are handed down in the form of directives and then ensured by administrative and legal means, is one of the methods. The use of such economic levers as carefully planned pricing, taxation, credit and wage policies in order to guide the actions of the people and for the sake of according with the demands of the plan is the second method. The use of the economic power controlled by the state to struggle against various forces, which are harmful to socialist construction and which sabotage planned economy in the market, with improving planning as its objective, is the third method. Gathering and analyzing economic and technical information to prepare various statistics and forecasts, investigating and studying the land and other resources of the country and supplying them as "planning data" to various departments, districts and relevant units for drawing up plans is the fourth method. However, upholding, and as far as possible, improving planning, is the principle we must comply with when carrying out the restructuring of the system. This kind of planning we are referring to is planning which coincides with objective reality. We must measure the level of our planned economic development in accordance with the degree of planning in actual economic life.

We will call the restructuring of the economic system to be carried out the restructuring of the socialist economic system, for it contains these two meanings: 1) It is the carrying out of the restructuring of the economic system in a socialist country. 2) It is the carrying out of the restructuring of the economic system for upholding the socialist basic economic system.

VI

The aim of restructuring the socialist economic system is to develop production and increase labor productivity so that the manpower and land resources as well as other economic resources can be fully brought into play. The key to the restructuring of the economic system is this word "restructure." What key to the restructuring of the economic system is this word "restructure?" Why must we restructure? This is because there are still many things in the present economic system not suited to bringing productive forces into play and developing productive forces. Therefore, the first thing we must do in the restructuring is to carry out a conscientious and comprehensive analysis of the present economic system and mobilize more people to carry out this work. Things which are good should be retained and things which are bad should be discarded. Although some of the things may be good, they can be replaced with still better things. If we do not make a success of this work, we will not know what to restructure. If we do not make a success of this work, there will be no unanimity of understanding among the people and we will not be able to make concerted efforts.

The more thoroughgoing the work of analyzing the present economic system, the clearer will be the questions of an orientation nature which must be solved in the restructuring. However, there are still some questions which cannot be spontaneously solved even after our analysis of the present economic system. We must constantly examine and repeatedly test these new questions. The discussion on questions concerning theories on restructuring the socialist economic system is also extremely important. By means of discussing and pooling the wisdom of the masses, some excellent ideas and views on restructuring the economic system will be produced. In the summer of 1980, I wrote an article entitled "After the Decision To Carry Out Restructuring." In the article, I listed several questions concerning the theories I thought we must discuss on restructuring the socialist economy. One of them was "the commodity nature of products produced in socialist economy and the regulatory role of the market on production and consumption." I called for the study of "whether or not the means of production should be commercialized, what should be the extent and degree of commercialization of the means of production and the character and characteristics of the socialist market."

In the last few years, everybody has attached great importance to the question of planning and the market. This is an important issue in the restructuring of the economic system. In recent years, there have been roughly six ways to express this question: 1) "Integrate planned economy with market economy." 2) "Integrate regulation by planning mechanism with regulation by market mechanism and take regulation by planning mechanism as the key factor." 3) "Integrate regulation by planning mechanism with regulation by market mechanism." 4) "Practice planned economy and at the same time give play to the subsidiary role of regulation by market mechanism." 5) "Take planned economy as the key factor and supplement it with regulation by market mechanism." 6) "The state ensures the proportionate and coordinated development of the national economy through the comprehensive balancing of economic plans with regulation by market mechanism as a subsidiary." This last formulation has been written into the draft of the revised constitution. Since planning and the market are important issues in the restructuring of the economic system, we should study them more fully in theory.

VII

Today I have talked about the six questions mentioned above and discussed six views. Apart from these six questions, there is also another point I wish to mention, and that is, I think that there can never be a permanent solution to the restructuring of the socialist economic system. The restructuring we must study and realize today is based on the concrete practice of China put forward at the present stage, and this is a question we should and could solve today. The relatively important and long-term questions in the restructuring of the socialist economic system we can call strategic questions of restructuring the system. There are also some relatively minor and short-term questions we can call tactical questions of restructuring the system. We must solve questions of a strategic nature, but the time required (regardless of the time for studying or the time for putting it into practice) will be longer. The profundity and scope of this matter of restructuring the socialist economic system in a country as big as China must be fully taken into consideration. It is definitely not something we can solve within a short time. We must make necessary mental preparations for this. However, the restructuring of the system is also an urgent question, and it will also have a great impact on the present economic work of our country. We must change certain unreasonable systems within a relatively short time. I think that these restructurings of a tactical nature should not be slackened, and we should pay close attention to solve some of the questions. We can solve the ones which are ripe and conduct experiments at selected points for those which do not yet have the proper conditions. Regardless of whether the restructuring of the system is of a strategic nature or a tactical nature, there will be many questions concerning the theories. I hope that those engaged in economic work will pay attention to these questions.

(Excerpts of a speech at the forum held by the State Economic System Restructuring Commission and the Economic Research Center on 4 May 1982)

HONGQI ON MAO, PARTY ROLES IN LITERATURE, ART

HK171129 Beijing HONGQI in Chinese No 11, 1 Jun 82 pp 5-6

[Commentator's article: "A Brilliant Example of the Party's Leadership in Literature and Art"]

[Text] To mark the 40th anniversary of the publication of his "Talks at the Yanan Forum on Literature and Art," Comrade Mao Zedong's 15 private letters to writers and artists were published. The publication of these letters is of great significance in the correct and comprehensive understanding of the fundamental spirit of the "Talks," in the strengthening of the party's leadership over literature and art and in the adherence to the orientation of serving the people and socialism.

Comrade Mao Zedong's letters to writers and artists are not ordinary letters to old friends or individuals. Through these letters, we can deeply feel his loving care for the literary and art circles and his patient and systematic guidance for the literary and art workers. Proceeding from the actual conditions, he always realistically solved various problems in the literature and art fields and guided the literary and art workers to advance in the correct direction. These letters are a brilliant example of the party leadership in literature and art.

The question of whom literature and art should serve has always been a fundamental question. In these letters, Comrade Mao Zedong also considered this question of primary importance. Since "the life at present is also a struggle," he particularly stressed that "we need militant works now," and that "both Yanan and the border regions badly need dramas reflecting the struggles in the enemy's rear flanks." Although the situation is different today from that of the war period, it is still an important task for writers and artists to reflect the people's struggles and life in the revolution and construction. In these letters, he enthusiastically supported the work of popularizing literature and art. He affirmed the role played by the journal POPULAR LITERARY AND ART PRACTICE, which was aimed at helping correspondents and beginners raise their writing ability, and affirmed the article "Forms of Yangko Opera," which summed up the experiences of this opera. On the question of how to comprehend Lenin's talks with Clara Zetkin on art, Comrade Mao Zedong held that revolutionary literature and art should place their bases among the masses and serve the masses, so that "the feelings, thoughts and will of the masses" which were dispersed due to economic, political, geographical and national reasons, could be "united" through the spread of literature and art. That is, as an artistic form spreading ideology, exchanging feelings and arousing consciousness, literature and art must promote the unity of the people so that they will take an active part in the fighting with one heart and one mind. It was proceeding from this principle that Comrade Mao Zedong affirmed the play "Be Driven to the Liangshan Mountain," which "reveals history in its true colors." The orientation Comrade Mao Zedong pointed out here for literary and art work is the same orientation he repeatedly stressed in his "talks" and is certainly the only correct orientation of serving the people and serving socialism, which we must adhere to in our literature and art work today. Under no circumstances should our literature and art deviate from the general orientation of uniting the people, educating the people and encouraging the people to join in the revolution and construction with one heart and one mind.

A very important question for our party in leading literature and art is how to correctly handle the relations between the party leaders and the literary and art workers. This has a bearing on whether the large number of literary and art workers can be closely united around the party and whether their enthusiasm can be brought into full play to create more and better works for the people. In these letters, Comrade Mao Zedong always fully affirmed the achievements and progress of the writers and artists with immense zeal. Understanding the orientation of serving the workers, peasants and soldiers after the Yanan forum on literature and art, a large number of literary and art workers plunged themselves into the fiery struggles and soon scored new achievements. With his keen strategic insight as a proletarian revolutionary and politician, Comrade Mao Zedong paid close attention to this new development. When Comrade Ding Ling and Ouyang Shan wrote two special features about two exemplary people in cooperative work in the Shaanxi-Gansu-Ningxia border region, Comrade Mao Zedong "finished reading them in one breath after taking a bath and before going to bed" and wrote immediately to the two comrades, extending his "congratulations to the Chinese people and to both of you for your new writing style." Although this letter was written dozens of years ago, it is so ebullient that it still touches the receivers' hearts when they reread it today. Comrade Ding Ling said: "I was greatly encouraged by this letter and thus began my new writing style. What is my new writing style? It is none other than writing about the workers, peasants and soldiers." Comrade Ouyang Shan said: "Whenever I recall this letter, I always feel a strong force that spurs me on." Today, when we read these letters, Comrade Mao Zedong's teachings still warm our hearts. We deeply feel that Comrade Mao Zedong was really an intimate friend and teacher of the literary and art circles.

Comrade Mao Zedong took a serious attitude toward the work in the literature and art fields as well as in other fields and had a strong sense of principle. While enthusiastically and cordially affirming and encouraging the writers and affirming their achievements, he also offered his sincere and comradely criticisms and aid gave explicit and hearty directions to them. When he was informed by a writer about the situation in Yanan, he first replied in the affirmative that there actually were unhealthy practices in Yanan which needed to be rectified. At the same time, he hoped that the writer would also "pay attention to one's own weak points and not to look at things one-sidedly." "One must pay attention to the correct handling of one's relations with other people and must compel oneself to intentionally examine one's weak points." He also required the writers to "examine their works with the Marxist viewpoint." Whenever we read these sincere words and earnest requirements of Comrade Mao Zedong today, they still touch our hearts. A speech made by Comrade Chen Yun in 1943, which was republished simultaneously with the publication of these letters, embodies the same principle and spirit. In this speech, Comrade Chen Yun criticized two shortcomings in the literary and art circles at that time. "One is privilege and the other is arrogance." He requested our party's literary and art workers to first regard themselves as ordinary party members and not learned scholars. He also asked them not to unrealistically overestimate the roles of literary and art work as well as personal achievements and talents. This is still of important and immediate significance today. Literary and art criticism is an important aspect of the party leadership in literature and art. It includes commending good and excellent works and criticizing bad and erroneous works. Under no circumstances should we give up the weapon of criticism. Some people dare not carry out principled criticism over the works or viewpoints which have obvious erroneous tendencies for fear that the enthusiasm of the writers and artists may be dampened or that they themselves may be blamed as "wielding big sticks." Thus, the party leadership has become lax and weak. This situation must be changed. However, there is also a problem of method and result in carrying out criticisms. The method of criticism displayed in Comrade Mao Zedong's letters, which is highly principled, must be taken as an example for our leaders at various levels and literary and art workers when carrying out literary and art criticisms.

Comrade Mao Zedong was a great Marxist, and a great poet too. He was knowledgeable on the law of art. He also paid serious attention to the investigation and study of the situation in the literary and art circles. Before he made the speech at the Yanan forum on literature and art, he listened attentively to various opinions. He discussed with Comrades Ouyang Shan and Cao Ming "problems concerning the literary and art policy," and then wrote to them, asking them to "collect NEGATIVE opinions for me." [capitalized word underlined] from here we can see that Comrade Mao Zedong not only paid attention to listening to positive and similar opinions but also paid attention to listening to negative and different opinions. All correct and realistic policies, principles, schemes and plans should be worked out after sufficient investigation and study and after listening to both positive and negative opinions. Comrade Mao Zedong's "Talks" is a brilliant Marxist work. This is inseparable from his spirit of investigation and study.

Forty years have passed since the publication of the "Talks." These letters were also written more than 30 or 40 years ago. Now, as the situation has changed, Mao Zedong's literary and art thought must also be developed in the light of the new situation and our historical experiences. The past erroneous tendency of studying Comrade Mao Zedong's "Talks" and other works with a dogmatist attitude must be prevented. However, Mao Zedong's literary and art thought is still of important guiding significance today. Total repudiation of Mao Zedong's literary and art thought under the pretext of past mistakes or other reasons is an expression of bourgeois liberalization and must be resolutely opposed. We must adhere to the basic principles of Mao Zedong's literary and art thought and continue to follow the brilliant example of Comrade Mao Zedong in leading the work in the literature and art fields. We must adhere to Mao Zedong's literary and art thought and the guidance of Mao Zedong Thought. This is the only correct road for the development of our revolutionary literature and art.

MANY EXPORT COMMODITIES BASES ESTABLISHED

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[Excerpts] Beijing, 18 Jun (XINHUA) -- China has established a large number of export commodities bases, one after another, in an effort to expand the sources of such commodities and improve their quality. Among these bases are 24 comprehensive ones, rates as first class and located in various areas and municipalities. In addition, there are large numbers of other bases specializing in producing 90 kinds of commodities for export, plus 94 special factories and mines established for the same purpose. Statistics show that these bases, factories and mines exported 9.25 billion yuan worth of commodities in 1981, accounting for 22 percent of China's total exports for that year.

China began to establish these bases in 1972. They have quickly developed since the third plenary session of the 11th party Central Committee. With economic and technical support given them by the state, they have constantly increased exports and improved the quality of export commodities. Their supply has been stable and deliveries of commodities ordered have always been on schedule. The 24 comprehensive bases are located in Guangdong, Jiangsu, Shandong, Zhejiang, Liaoning and Hebei Provinces and some autonomous regions.

Foshan Prefecture in Guangdong is China's earliest comprehensive base specializing in the production of export commodities. Its total foreign trade procurement last year amounted to 1.22 billion yuan, or 5 times that of 1972, the year before the prefecture was established as an export commodities base. This Chinese prefecture provides Hong Kong and Macao with a year-round supply of live freshwater fish and a great variety of vegetables. Hong Kong and Macao import about 90 percent of their freshwater fish from Foshan to meet their needs. Export commodities from the five comprehensive bases of Yantai, Qingdao, Weifang, Linyi and Heze in Shandong Province account for 71 percent of Shandong's total export procurement.

The establishment of bases for exporting commodities is conducive to promoting rural economic diversification, enlivening the national economy and creating jobs. Export development has enabled the annual income of rural commune members in Yantai Prefecture in Shandong to increase by an average of 40 yuan per head since 1980. The communes and production brigades in Yangzhou Prefecture, Jiangsu, have boosted their income from exports by more than 300 million yuan in the past 3 years.

To support production of export commodities, the state has issued large numbers of special loans and foreign exchange credits, while appropriating funds for various expenses. From 1972 to 1980 the state appropriated 2.58 billion yuan earmarked as special funds for exporting industrial products and to be used for technical support or as circulating funds needed to promote exports. These appropriations have enabled more than 7,100 enterprises producing export commodities to carry out technical transformation and, in turn, boosted their production capacity by 9.5 billion yuan in output value. The foreign trade departments have established the China Export Commodities Bases Construction Corporation in an effort to strengthen their direction and help export commodities bases. The corporation has established a number of branches in Shanghai, Tianjin, Beijing, Liaoning, Heilongjiang and Shandong.

FUJIAN URGES ECONOMIC CRIMINALS TO SURRENDER

HK171100 Fuzhou FUJIAN RIBAO in Chinese 10 Jun 82 p 1

[Report: "Over 1,700 People in Fujian Give Themselves Up in Past 80 Days"]

[Text] In a recent interview with responsible comrades of the provincial political and law departments, this reporter asked about how the two resolutions on economic criminals had been implemented in our province. They are the "resolution on severe punishment for criminals who seriously undermine the economy" adopted by the NPC standing committee and the "resolution on a 1 month postponement of the deadline for economic criminals to give themselves up and be dealt with leniently" adopted by the provincial people's congress standing committee. This reporter also inquired into the policies of how economic criminals who give themselves up and confessed their crimes after the deadline would be dealt with.

On these questions, the responsible comrades of the provincial political and law department pointed out: Since the implementation of the two resolutions, the leading organs of the party and government as well as the political and law departments at all levels have extensively and penetratingly carried out propaganda work so that the spirit of the two resolutions can be made known to every household and strike root in the hearts of the people. With the inspiration of the party's policies, a large number of economic criminals have clearly seen their way out and confessed their crimes with the hope of being accorded lenient treatment. During the 80 day period after the two resolutions were made public, a total of 1,703 economic criminals gave themselves up in the province. They returned illicit money amounting to 1,404,962 yuan, in addition to a certain amount of precious booty. (The above figure does not include those who have confessed their crimes after they were investigated or arrested.) We welcome all those who decide to make a clear break with their past and make a wise choice of confessing their crimes to obtain lenient treatment. Political and law departments at all levels have made a quick decision of according lenient treatment to those who had confessed their crimes and whose crimes had been cleared up. Some have been exempted from prosecution or punishment and some criminals in custody have been released. In many places, public trial meetings were held to apply in action the party's policy of leniency to those who confess their crimes and severity to those who refuse to. Facts prove that our party and government are pursuing a policy of putting words into action.

The responsible comrades of the provincial political and law department also pointed out that in parts of our province, a certain number of economic criminals, especially the principal criminals of some important cases, are still full of misgivings and are taking a wait-and-see attitude. Some think the deadline fixed in the resolution has expired. If they now surrender themselves it will be as if they are putting their necks into a noose. Even if they confess their crimes, they think they can hardly be dealt with leniently. This is wrong and even harmful. The responsible comrades stressed that the door of leniency is still open to all economic criminals who confess their crimes. Leniency to those who confess their crime is our party's consistent policy. In the "resolution on dealing blows at serious criminal activities in the economic field" jointly formulated by the CCPCC and the State Council, it is also clearly stated that even after the deadline, those who really repent and turn over a new leaf, give themselves up, honestly confess their crimes and expose other's, and return spoils on their own accord, can still be accorded fairly lenient treatment in accordance with relevant policies and laws. In the "penal code" revised and revised by the NPC Standing Committee, punishments for some serious economic offenses have been increased.

However, in accordance with policies and laws, whether criminals confess their crimes or refuse to is always the grounds for dealing with them leniently or severely. Leniency is accorded to the criminals who give themselves up. This is clearly stipulated in law. Political and law departments at all levels should continue to explain to all economic criminals our party's consistent policy of leniency to those who confess their crimes and severity to those who refuse to. They should try their best with utmost patience to redeem those who have slipped and fallen into the water.

The responsible comrades of the provincial political and legal departments gave a strong warning to those diehards who are making a vain attempt at a last stand, and said that if they vainly hope avoid the investigation by a fluke, then they have brought their hogs to the wrong market. There is a limit to the leniency of our party's policy and state laws. Any criminal who continues to conceal his crimes and keeps on engaging in crime will never be able to escape severe punishment by law.

NANJING PLA UNITS HONORS MILITIA MARTYR

OW170211 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 15 Jun 82

[Excerpt] A grand ceremony to name Comrade Guo Jun, staff officer of the People's Armed Forces department of Xishi District in Hefei municipality under the Anhui Provincial Military District, the "good cadre who sacrificed his life to save other," a title of honor conferred by the CCP Central Committee Military Commission, was held in Nanjing on the morning of 15 June. Attending the ceremony were Guo Linxiang, first political commissar of the Nanjing PLA units; Du Ping, political commissar; Xiang Shouzhi, secretary of the Anhui Provincial CCP Committee; Zhou Ze, secretary of the Jiangsu Provincial CCP Committee; Hong Peilin, vice governor of Jiangsu; (Zhou Deli), Li Baoqi and (Cheng Chongxiao), responsible persons of the Nanjing PLA units leading body; (Zhang Chunxing), (Li Donghai) and (Sun Liejia), responsible persons of the Nanjing PLA Air Force and the military academies in Nanjing; and responsible persons of the Anhui Provincial Military District and other units under the Nanjing PLA units, representatives of model units, well known model heroes and advanced individuals and well known ground, naval and air force commanders and fighters, as well as Comrade Guo Jun's father (Guo Wenhua), Mother (Li Wen) and wife (Zhao Xiaoqing) and representatives from his native place in Wuyi Country in Hebei Province, totaling some 3,000.

EMERGENCY MEETING ON FARMING HELD IN SHANDONG

OW170205 Beijing XINHUA Domestic Service in Chinese 0733 GMT 15 Jun 82

[Text] Jinan, 15 Jun (XINHUA) -- The Shandong Provincial CCP Committee recently called an emergency meeting to mobilize people throughout the province to continuously work hard, pay close attention to summer sowing and field management, make up for the losses in summer crops with a good autumn harvest and strive for a bumper harvest of grain crops this year.

As the result of a serious drought, Shandong Province's wheat output dropped this year as compared with last year. It is necessary to make up for the decreased output of summer crops with a good autumn harvest, which the provincial party committee considered entirely possible.

1. The output of autumn grain crops accounts for about (?two-thirds) of the province's annual grain output. If only the output of autumn grain crops can be increased, it will be possible to make up for the losses in summer crops.

2. There are favorable conditions for obtaining a bumper harvest of autumn crops; the province now has 48.8 million mu of spring-sown crops, an increase of 3 million mu over the same period of last year.

Most of these crops are growing well. Because of a drought, the wheat crop was generally harvested earlier than before, and summer-sown crops were planted in time. Because the output of summer crops dropped, soil fertility was not brought into full play. Therefore, there is a great potential for an increase in the production of autumn-ripening crops.

For this purpose, the Shangdong Provincial CCP Committee held an emergency meeting which was attended by the secretaries of prefectural and municipal party committees and responsible comrades of the departments concerned directly under the provincial authority. The meeting discussed and made arrangements for summer planting, harvesting and field management and took four measures to make up for the losses in summer crops with a good autumn harvest:

1. On the basis of keeping stable the acreage sown to cotton, peanuts, tobacco and other industrial crops, it is necessary to effectively ensure the acreage sown to grain crops in the province.
2. In line with local conditions, it is necessary to plant more high-yielding, drought-resistant and weather-resistant crops, such as sweet potatoes, melons, beans and vegetables, which can grow on barren land.
3. It is necessary to consolidate and improve various forms of production responsibility system. Units which practice unified management should gradually adopt various forms of contract system. Units which fix output quotas and contract for farm work on a household basis should gradually irrigate farmland, drain waterlogged fields and build small water conservancy projects in a unified way in order to bring the initiative of the collective and the individual into full play and to increase their ability to combat natural disasters.
4. People in all trades and professions should adopt an overall point of view. On condition that if normal production is assured, the industrial front should make vigorous efforts to cut down its consumption of oil, electricity and coal in order to make more oil, electricity and coal available for agriculture use. The financial aid trade front should do a good job in supplying materials for use in combating drought and other natural disasters and actively contribute to obtaining a bumper harvest of autumn crops.

SHANGHAI PAPER ON CURRENT CLASS STRUGGLE

OW150625 Zhanghai WEN HUI BAO in Chinese 9 Jun 82 p 3

[Article by Hu Lu: "A Few Questions on Class Struggle Under Present Conditions"]

[Excerpts] Why do we say that the current struggle "to deal blows at serious criminal activities in the economic field is a major manifestation of class struggle in the economic sphere under the new historical conditions of China's socialist society?"

This thesis in the "decision on dealing blows at serious criminal activities in the economic field" of the CCP Central Committee and the State Council is based on actual conditions in the economic field in our country. If the serious criminal activities in the economic field are allowed to spread unchecked, it will be impossible for our modernization program to be carried on smoothly. Obviously the struggle against serious criminal activities in the economic field is vital to the success or failure of the socialist modernization drive and the prosperity or decline of our party and state. It is a serious struggle of communists and the masses of the people who uphold socialism against elements hostile to and undermining socialism, a conflict of fundamentally opposed interests, and therefore a major manifestation of class struggle in the economic sphere under the new historical conditions of China's socialist society.

As the exploiting classes have been eliminated as classes, why is there still a class struggle? What are the different characteristics of the class struggle under present conditions from the class struggle of the past?

The "resolution on certain questions in the history of our party since the founding of the People's Republic of China" unanimously adopted by the 6th Plenary Session of the 11th Party Central Committee clearly points out: "Class struggle no longer constitutes the principal contradiction after the exploiters have been eliminated as classes. However, owing to certain domestic factors and influences from abroad, class struggle will continue to exist within certain limits for a long time to come and may even grow acute under certain conditions. It is necessary to oppose both the view that the scope of class struggle must be enlarged and the view that it has died out."

This is a scientific conclusion reached by applying the fundamental principles of Marxism on the class situation and class struggle under the new historical conditions of China's socialist society. It is also an important guiding principle for us to correctly understand the current class struggle in our country.

Judging by a host of facts, class struggle will continue to exist within certain limits for a long time to come mainly because: 1. Although the exploiting classes have been eliminated as classes, their remnants and other hostile elements are still around and will make trouble when they find an opportunity. 2. The ideology of the exploiting classes will continue to exist for a long time to come and still can corrupt some people. 3. The exploiting classes have been eliminated as classes only on the mainland. In Taiwan, Penghu, Quemoy and Matsu as well as in Hong Kong and Macao, the exploiting system still exists and the exploiting classes are intact. The reactionaries among them and those blinded by greed inevitably will try in every conceivable way to corrupt the mainland. 4. Internationally, imperialism and hegemonism are always trying in every possible way to infiltrate, undermine and subvert our country politically, economically, ideologically and culturally. 5. With the development of economic relations with foreign countries, decadent capitalist ideas and the bourgeois life style will invade us through various channels.

Under present conditions, class struggle is mainly against counterrevolutionaries and enemy special agents; various kinds of criminal offenders and other bad elements; new exploiters engaged in graft, embezzlement and speculation; some remnants of the "gang of four;" a small number of unreformed landlords and rich peasants and some remnants of other old exploiting classes. This struggle is different from the class struggle of the past mainly because the above-mentioned elements hostile to and undermining socialism can no longer form an open and whole class after the exploiting classes have been eliminated as classes.

Now that class struggle is stressed in dealing resolute blows at serious criminal activities in the economic field, are we going to repeat the past mistakes of "taking class struggle as the key link" and enlarging the scope of class struggle?

The answer is definitely no. "Taking class struggle as the key link" was a slogan raised shortly before the "cultural revolution." Practice has proven that this slogan is totally erroneous and has caused very serious consequences. The 3d Plenary Session of the 11th Party Central Committee resolutely ended the use of the erroneous slogan "taking class struggle as the key link" which does not apply to socialist society, made the important decision on shifting the whole party's work emphasis to socialist modernization and fundamentally corrected the erroneous "left" guiding ideology. At the same time, the party Central Committee summed up the party's experiences and lessons, both positive and negative, in class struggle and made a correct appraisal of class struggle under present conditions in our country. The class struggle we have talked about since the 3d Plenary Session of the 11th Party Central Committee is basically different from "taking class struggle as the key link." The difference is manifest in the following:

1. Class struggle now occupies a different position in our society. The party Central Committee clearly pointed out that after the completion in the main of socialist transformation and the elimination of the exploiting classes as classes, the principal contradiction in the country is no longer class struggle, but the contradiction between the people's growing material and cultural needs and the backward social production. Class struggle, including dealing blows at serious criminal activities in the economic field, must be subordinated to, serving and of help to the central task of economic construction.

2. The appraisal of the situation of class struggle is different. In the past, under the influence of erroneous "left" ideas, it was held that class struggle existed all the time in all places, and a large number of social contradictions which did not fall within the scope of class struggle were all regarded as class struggle. Now the party central committee has clearly pointed out that class struggle exists only within certain limits. The "resolution" of the 6th Plenary Session of the 11th Party Central Committee also points out: "We must correctly understand that there are diverse social contradictions in Chinese society which do not fall within the scope of class struggle and that methods other than class struggle must be used for their appropriate resolution."

3. The method of class struggle is different. Because class struggle is no longer the principal contradiction in today's society, we need not and should not launch turbulent mass movements like we did in the past, but should solve problems of class struggle which exist within certain limits in the same legal cases are handled, using socialist law as the weapon and following judicial procedures. The current struggle against serious criminal activities in the economic field is being waged in this way. Therefore, in practice we are not "taking class struggle as the key link" and will not again make the mistake of enlarging the scope of class struggle.

TIE YING CHAIRS ZHEJIANG CONGRESS MEETING

OW170555 Hangzhou Zhejiang Provincial Service in Mandarin 1030 GMT 15 Jun 82

[Text] The preparatory meeting of the fourth session of the Fifth Zhejiang Provincial People's Congress was held in Hangzhou on the morning of 15 June. Tie Ying, chairman of the Standing Committee of the Zhejiang Provincial People's Congress, presided over the preparatory meeting.

Items on the agenda of the fourth session of the Fifth Zhejiang Provincial People's Congress adopted at the preparatory meeting are: A report on the work of the Zhejiang Provincial People's Government by Governor Li Fengping: [passage indistinct]

GUANGDONG GOVERNOR ON EXTERNAL ECONOMIC WORK

HK180209 Beijing ZHONGGUO XINWEN SHE in Chinese 1439 GMT 17 Jun 82

[Text] Guangzhou, 17 Jun (ZHONGGUO XINWEN SHE) -- At a forum held in Guangzhou today attended by provincial, municipal and prefectural external economic committee directors, Guangdong Provincial Governor Liu Tianfu stressed that it is essential to unservingly implement the policy of opening up to the world and make a new breakthrough in Guangdong's external economic activities.

Liu Tianfu said: Every place is linked to the international market. We cannot carry out our construction behind closed doors. Relying on our own efforts on the one hand and opening up to the world, absorbing advanced foreign management experience and importing advanced technology and the necessary capital on the other are mutually complementary. Modern science and technology is the wealth of the world, and international technological cooperation is the trend of world economic development. We should learn advanced foreign things and bring into play people's wisdom and talent in order to redouble our strength and speed up the four modernizations drive.

Speaking on Guangdong's implementation of the policy of opening up to the world in the past 2 years, Liu Tianfu said, it is completely correct that Guangdong's external economic activities should be more developed than in other provinces. We have already scored great success in this work. Guangdong's foreign trade exports account for 10 percent of the national volume. Guangdong makes use of foreign investment and technology, and carries out processing work for foreign customers, compensation trade, and joint venture work. The joint ventures are relatively good, especially the processing of imported raw materials, turning out products according to imported patterns, and assembling imported parts, all for foreign customers, and compensation trade; these activities are now being undertaken in more than 60 counties and municipalities throughout the province. Generally speaking, however, we have not yet truly made a breakthrough. We must take full advantage of Guangdong's superior features in bordering Hong Kong and Macao and in being a place where there are many Overseas Chinese and Hong Kong and Macao compatriots, and further develop the province's external economic dealings.

On how to make a breakthrough in Guangdong's foreign trade, Liu Tianfu said, in the future, Guangdong's foreign trade must change from stressing agricultural and sideline products to focusing on industrial products, and from stressing the Hong Kong and Macao market to focusing on the international market. We must succeed in not exporting industrial products at a loss, or only at a small loss. We must achieve self-sufficiency in certain products that can compete on the international market. The most fundamental thing is to improve the level of the province's industrial production. Liu Tianfu also pointed out, we must do still better in processing raw materials and so on for foreign customers and in compensation trade, strengthen controls, stabilize the policies, and fulfill the contracts.

GUANGDONG'S REN ZHONGYI WARNS ON PRODUCTION LAGS

HK120900 Beijing RENMIN RIBAO in Chinese 12 Jun 82 p 1

[Report by Zhang Yueliang [1728 6460 5328]: "Ren Zhongyi Stresses Maintaining the Policy of Opening Up to the World and Enlivening the Domestic Economy"]

[Text] While recently learning the conditions of industrial production from the provincial economics committee, Guangdong Provincial CCP Committee First Secretary Ren Zhongyi stressed that the aim of hitting at economic crimes was to clear away the obstacles to the four modernizations drive; that it was essential to maintain the policy of opening up to the world and enlivening the domestic economy and that whether production could be promoted remained the major hallmark for determining whether work was being done well or badly.

Ren Zhongyi demanded that the cadres in the industrial and communications departments seriously study the Central Committee and State Council "Decision on Hitting at Serious Economic Crimes," clarify their muddled ideas and get rid of fear of difficulties and negative feelings. He said: The policy of opening up to the world and enlivening the domestic economy must be maintained. It is necessary to make up for past deficiencies in work and, in this context, strengthen ideological and political work and strengthen management. The cadres at all levels must bring into play a high degree of activism and study and solve whatever new problems arise in the new situation.

Since certain normal cooperation channels have been cut, certain purchase and sales staff have become afraid of difficulties, and certain enterprises have run into problems. Ren Zhongyi stressed: While maintaining planned economy as the leading factor, we must continue to pay attention to bringing into play the supplementary role of regulation by market mechanism. He said: The whole country and the whole province must help supply each other's needs. It is necessary to cut off irregular and sinister channels, but normal channels must not be cut. If proper and normal cooperation is cut, this will be very bad for production. He pointed out: There are indeed instances of illegalities and crimes among personnel who go abroad on purchasing missions, but only a few are involved; the work of the purchasing staff is very important and also very arduous. We must protect their activism and their normal business dealings; we must not cause difficulties for them and hamper them. The purchasing staff should go out, and continue to go out, to do their work; we must not stifle production to death.

GUANGDONG DOCUMENT ON LATE RICE PRODUCTION

HK091129 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 8 Jun 82

[Excerpts] The Guangdong Provincial CCP Committee and People's Government recently approved and transmitted the "Summary of the Provincial Forum on Late Rice Production" submitted by the provincial agricultural committee. The comments of the provincial CCP committee and people's government on this "Summary" says: "The provincial CCP committee and people's government has approved the 'Summary of the Provincial Forum on Late Rice Production' submitted by the provincial agricultural committee. This document is now transmitted to you. The policy and measures put forth in this 'Summary' are applicable. We hope that various localities will study it earnestly and carry it out in the light of their local conditions."

The "Summary of the Provincial Forum on Late Rice Production" pointed out that during the 12 years from 1970 to 1981, the per mu yield of late rice in this province fell, while in 6 of these years the total output of late rice also fell. But things were different in various localities. The low and unstable yield chiefly happened in the central part of the province, which is colder and is often hit by typhoons. The "Summary" says that of the many reasons for the low and unstable yield, the changeable weather in the central part of the province, which is often hit by cold continental wind, cold currents and typhoons, is an important one. Another main reason is the backward cultivation techniques and management.

The "Summary" says that in order to change the backward situation of low and unstable yields, it is necessary to change our guiding ideology to first striving for stable yields before striving for high yields and to adhere to the policy of developing advantages and preventing and resisting disasters. At present, it is necessary to grasp well the following jobs: Make reasonable arrangement for the growing of various varieties of rice in the light of local conditions, strictly follow the seasons, improve cultivation techniques, do a good job in applying organic fertilizer and improve the soil.

GUANGDONG PAPER URGES GREATER ECONOMIC CRACKDOWN

HK110746 Guangzhou NANFANG RIBAO in Chinese 8 Jun 82 pp 1, 3

[Commentator's article: "We Must Raise Our Understanding and Deepen the Struggle"]

[Text] In the past 4 months or so, the struggle to crack down on serious criminal activities in the economic area has been gradually started in our province. Initial results have been achieved. The number of incidents such as smuggling and illegal trading have declined. A large number of major and important cases have been uncovered. A number of serious economic criminals have given themselves up to judicial organs under the influence of the party's policy or when confronted by state laws. Many units have also seriously corrected mistakes and errors in their work. They have summed up experiences and lessons, formulated measures to set things straight and plugged loopholes. Cadres at all levels have markedly raised their understanding of this struggle, thus strengthening leadership and consolidating the forces devoted to building enterprises. The struggle is developing in a healthy manner. The situation is favorable, as far as the whole struggle is concerned.

But we have fought only a superficial battle. The problem that now exists is that major and important cases have still not been fully exposed. Those cases already exposed have not been completely investigated and solved. Many cadres, including some leadership cadres, still do not have an adequate understanding of the nature and importance of this struggle. Confused thinking, a passive attitude and a tendency to avoid difficulties exist. In handling cases some difficulties and obstacles have been encountered. The development of the struggle among areas and units is still very uneven. The leadership of some units assumes a resolute attitude, takes effective measures and has the full trust of the masses. The struggle has got off to a good start with initial results achieved. On the other hand, the leadership of some units is not keen or energetic enough. The struggle has proceeded slowly, with the situation almost in a deadlock. The masses show lack of confidence. These problems must be immediately solved. Only in this way can the struggle be further deepened.

At the 5 June report meeting of leadership cadres of organs directly under the province, the provincial CCP committee had already made arrangements on how to deepen the struggle. In line with the spirit of this meeting, all areas must seriously analyze things at a preceding stage; check what work has been done and what remains to be done, and what shortcomings and problems exist; and study how to take effective measures to deepen the struggle. A primary problem is to restudy the "decision to crack down on serious criminal activities in the economic field" made by the CCP Central Committee and the State Council and really take this as a sharp ideological weapon, thus raising awareness, unifying thinking and correcting people's attitude.

The "decision" by the CCP Central Committee and the State Council is an extremely important document. It explicitly prescribes and scientifically defines the nature of this struggle and its relevant task, policy and strategy. The task of cracking down on serious criminal activities in the economic area put forth by the "decision" is not a general one. Instead, it is a struggle concerning the success or failure of the socialist modernization of our country and the prosperity or decline of our party and state. This is a serious struggle between the proletariat and the masses of people who uphold socialism and those elements who hate and disrupt socialism, and a long-term struggle against corruption by capitalist thinking and against degeneration -- a struggle to maintain the purity of communism. Its nature is that of an important manifestation of class struggle in the economic area under existing conditions. The waging of this struggle is a fundamental guarantee for upholding the socialist road and realizing the four modernizations. In this important sense, we must realize the spirit of this document and look more closely and further ahead in our approach to this problem.

Only in this way can we remain sober, raise our vigilance and consistently pay close and proper attention to cracking down on serious criminal activities in the economic area.

Experience in the struggle in the past few months shows that the "decision" by the CCP Central Committee and the State Council is entirely correct. Cases uncovered in various areas show that the criminal activities in the economic area in our province are really serious. Smuggling and illegal trading, corruption and bribery, speculation and fraud, appropriation of state and collective property and other serious criminal activities are more serious than during the "movement against the three evils." Moreover, many cases also feature collusion between people at home and abroad. Some irresolute cadres have fought a losing battle under the attack of the sugar-coated bullets of capitalism and have even become captive to capitalist ideas. If capitalist ideas are allowed to corrupt our party members and cadres and criminal activities in the economic area are allowed to take their own course and nothing is done to stop and crack down on them, will we be able to carry out socialist modernization? Serious economic criminals have adopted various means on various fronts to carry out sabotage. If we do not resolutely and relentlessly crack down on them, how can our modernization effort advance in the socialist direction? How can our policy of opening the door to the world and enlivening the economy at home be successful? Shocking facts have profoundly shown that this struggle is really a serious manifestation of class struggle in the economic area. If things are not handled well, there is a real possibility of degeneration. How some individual areas, individual units and individual groups have degenerated. If no effective measures are taken to quickly, seriously and severely crack down on serious economic criminals, and to check this evil trend, more areas, more units and more groups may possibly degenerate or decay. This is inconceivable.

In the face of this shocking class struggle, some of our comrades are muddleheaded and have vague ideas on things. They wonder that "since there has been a shift in focus, how can we still talk about class struggle?" They are always hesitant and irresolute and have cold feet. They do not dare to resolutely wage a struggle. Some comrades worry that fighting corruption from capitalist ideas and punishing serious economic criminals may interfere with socialist modernization and the enforcement of the policy of opening the door to the world and enlivening the economy at home. Thus, they are irresolute in their attitude and fail to take effective measures. Some comrades worry about magnifying things and repeating the mistake of "taking class struggle as the key link." They are also afraid of offending others and straining relations. They are afraid that there may be another "reversal of verdicts" that would cause endless trouble. Thus, they have cold feet or let things slide. All these are ideological obstacles interfering with the deepening of the struggle. Though the factors giving rise to these ideas are complex, the most fundamental factor is that these comrades still do not have a correct understanding of the important ideas of the CCP Central Committee on the problem of class struggle in the new era put forth since the third plenary session of the CCP Central Committee. They still have not understood the seriousness and harm of criminal activities in the economic area in our province and the great significance, necessity, urgency and long-term nature of this struggle. Instead, they have regarded a serious struggle as a general problem. A way to solve this problem of awareness is to combine actual struggle with serious and repeated efforts in studying the "decision" by the CCP Central Committee and the State Council. In regard to both theory and practice, we must have a clear idea of the nature of this struggle and the relevant task, policy and strategy, correct those erroneous ideas that now exist in society, and make clear those vague ideas among the ranks of cadres. We must mentally prepare to achieve the aim of raising awareness, unifying thinking, adopting a resolute attitude and arousing our spirits. We must on the one hand resolutely insist on opening the door to the world and enlivening the economy at home. On the other hand, we must resolutely crack down on serious criminal activities in the economic field and continuously deepen the struggle.

HENAN PREFECTURE BOOSTS GRASSROOTS ORGANIZATION

OW172156 Beijing Domestic Service in Mandarin 1000 GMT 17 Jun 82

[Text] Henan's Zhumadian Prefectural CCP Committee has stepped up the building of grassroots party organization and has educated Communist Party members to play an exemplary vanguard role in rural construction.

After conducting an analysis of the 2,800-odd party branches in the countryside at the beginning of this year, the Zhumadian Prefectural CCP Committee noted that organizational and ideological problems, or problems in the work style which were incompatible with the current rural situation, existed, more or less, among the grassroots party organizations. Since the spring festival, the prefecture has carried out a rectification of the rural party branches. As of early May, 94.7 percent of them have set up new branch committee. At the same time, all the counties have established and improved the rotational training system for party members. By now, all the secretaries of the production brigade party branches have attended study classes by stages and in groups at the county party schools. Branch committee members and ordinary party members have also attended the study classes at communes or production brigades. The content of the study is mainly the series of rural policies formulated by the party Central Committee since the convening of the 3d Plenary Session of the 11th CCP Central Committee. In light of the penetrating changes in the rural areas since the introduction of responsibility system, they have further eliminated the leftist ideological influence. The rectification has enabled the broad masses of party members and cadres to consciously play an exemplary vanguard role. They have changed their thinking and work style in the following three major aspects: First, instead of starting the work with mass repudiation as in the past, they are conducting in-depth education on party policy; second, instead of issuing administrative orders, they are doing meticulous ideological and political work; third, instead of pushing the peasants to do their farmwork, they are trying to solve new problems that have appeared since the introduction of the production responsibility system. In this way, the grassroots branches have really become the core for uniting the broad masses of people as well as a fighting force.

STRONG EARTHQUAKE KILLS 10 IN SICHUAN 16 JUNE

OW171548 Beijing XINHUA Domestic Service in Chinese 1442 GMT 17 Jun 82

[Text] Chengdu, 17 Jun (XINHUA) -- According to China's earthquake-detecting stations and network, an earthquake of magnitude 6 occurred in the northwestern district of Ganzi County in Sichuan Province (at 31.41 degrees north latitude and 99.55 degrees east longitude) at 1924 [1124 GMT] on 16 June.

Preliminary reports indicate that houses of some production brigades have collapsed, causing 10 deaths; 3 are seriously injured, and 2 are slightly injured.

The Sichuan Provincial Seismology Bureau's report says: Unusual warning signs of an earthquake were detected prior to its occurrence. The State Bureau of Seismology analyzed the various short-term surveys made by the prediction center provincial and prefectural seismology bureaus and other units before the earthquake. The Ganzi County Seismology Office reported the warning signs twice to the county government on 3 and 5 June. The county completed the antiearthquake work in good time.

After the earthquake, the provincial, prefectural and county seismology departments immediately sent seismologists to the scene to inspect the damage and step up the surveillance and prediction of earthquakes.

SICHUAN RIBAO DISCUSSES REORGANIZING INDUSTRY

HK141446 Chengdu SICHUAN RIBAO in Chinese 25 May 82 p 1

[Report: "Sichuan Province Makes New Progress in Reorganizing Industrial Enterprises and Forming Joint Undertakings -- About Reorganizing Industry on the Basis of Coordination Among Specialized Departments"]

[Text] THE ECONOMIC JOINT UNDERTAKINGS THAT HAVE BEEN FORMED HAVE DEMONSTRATED THEIR ECONOMIC EFFICIENCY IN READJUSTING ORGANIZATIONAL STRUCTURE, REDUCING DUPLICATION IN PRODUCTION, TAPPING POTENTIAL AND MAKING COMPREHENSIVE UTILIZATION OF RESOURCES [published in boldface type]

Sichuan Province has made new progress in reorganizing industry and developing joint economy on the basis of coordination among specialized departments. Of the existing 240 joint economic undertakings throughout the province, 68 are enterprises and factories that have displayed their economic efficiency in readjusting organization structure, reducing duplication in production, tapping potential and making comprehensive use of resources and energy.

The reorganization of these joint undertakings according to coordination among specialized departments and according to economic rationality has removed barriers between regions and departments and displayed an apparent role in changing the backward situation of "big and complete" and "small and complete." On the basis of readjustment and shifting to other kinds of production, the city of Chongqing has over the past 2 years reorganized according to specialization of departments which produce more than 32 types of consumer goods such as watches, sewing machines, leather and leather products, canned products, foodstuffs and woolen fabrics. Consequently many enterprises have been able to increase production, increase profits and drastically reduce production costs. Since it was formed, the Chongqing Sanxia electric fan joint enterprise has made unified arrangements for its scattered 11 factories and carried out division of work according to specialization. As a result, not only has the output of electric fans jumped from 1,600 to more than 10,000 per month, but per unit costs have also dropped from 135 yuan to 75 yuan.

Joint economic undertakings are helpful in overcoming shortcomings and displaying advantages, increasing the output of marketable products and helping a number of enterprises that have difficulties in carrying out production. Following the formation of specialized companies, the papermaking enterprises in Chengdu that once had problems such as unsalable products, shortage of production tasks and increases in the price of raw materials, began to unify their products, carried out technical reform, readjusted the location of production and division of work with regard to products. As a result, they have been able to improve quality, carry out mass production and lower production costs. Over the past year and more, they have stepped up renewing equipment and upgrading products and have also marketed a number of new products such as aluminum foil paper, filter paper and relief printing paper. They have also cooperated with commercial departments for the sale of their products. The output of this company in the first 4 months of this year was 24 percent higher than the same period last year while output value and profits both increased by about 20 percent, the highest among the same trades in the province.

Some factories have established business relations with scientific research units to apply new achievements in research work to production. At present, some metallurgical, mechanical, chemical industrial and light industrial enterprises have signed contracts with scientific research and design units on new products and new technology. In Yibin District, 25 enterprises signed contracts with 17 scientific research units on joint production, technical cooperation and transfer of ownership. These enterprises have been able to solve some key problems in production by making use of the results of research work. In a matter of 2 years, these enterprises increased output value by more than 30 million yuan and profits by 1.8 million yuan. The special transformer factory in Luxian Prefecture signed an agreement with Chengdu Scientific Technical College on research work on new products and as a result, a series of specifications for 5,000-volt up to 250,000-volt transformers and laser power transformers were turned out. Now the products of this factory are marketed throughout the country with good recommendations from users.

Through joint undertakings and reorganization, the industrial departments in Sichuan Province have curtailed capital construction projects and promoted the development of production. The statistics compiled over 32 on joint economic undertakings in Chengdu showed that through merging and shifting to other production, these enterprises have saved more than 22 million yuan in investments, built workshops with a reduction in space of more than 110,000 square meters, increased output value by 120 million yuan in 1 year and increased tax income and profits by more than 28 million yuan. The Chongqing sulphide iron ore plant has been able to increase output rapidly. According to the original plan of an annual output of 50,000 tons, the state had to invest at least 12 million yuan. But the municipal chemical industrial departments removed barriers between departments, developed economic relations and cooperated with small coal mines to make comprehensive use of coal resources. Consequently they met the original plan with only 3 million yuan of investment. The sulphide iron ores they produced are not only used by themselves but are also used in supporting other regions and departments.

The province is now continuing to step up the work of merging and reorganizing industrial and transportation enterprises, the number of enterprises across the province that have taken part in joint economic undertakings is now more than 1,400. Their output value makes up 15 percent of the provincial gross industrial output value, and the profits handed over to higher departments make up 28 percent and the tax makes up 50.4 percent. They have thus held a very important position in the economy of the province. The Sichuan provincial party committee and the provincial people's government considered that the formation of joint economic undertakings is related to the whole industrial system and the location of the division of work in production, and it involves many aspects. Therefore they are considering stepping up leadership, overcoming obstacles, taking various economic measures and carrying out necessary administrative intervention so as to quicken the reorganization of joint undertakings.

YUNNAN CONGRESS COMMITTEE MEETING ENDS 16 JUN

HK171157 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 16 Jun 82

[Summary] The 14th meeting of the 5th Yunnan Provincial People's Congress Standing Committee, which lasted 7 days, concluded in Kunming this afternoon. "The meeting passed the resolution on further conducting discussion of the draft of the revised constitution, the resolution on the provincial method of implementing the State Council regulations on rural housing and the resolution on the provincial regulations governing control of environmental pollution. The meeting also approved appointments and removals." Provincial people's congress standing committee Vice Chairman Sun Yuting presided over the plenary meeting. Vice Chairman Zhang Tianfang, Zhang Haitang, Zhang Zizhai, Li Hecai, (Yan Yiquan) and (Li Guiying) attended. Vice Governor Lin Chao, provincial CPPCC committee Vice Chairman Wang Qiming, provincial higher people's court President Xiao Huayou and provincial people's procuratorate Chief Procurator Wang Lizhong attended as nonvoting delegates. Others attending as nonvoting delegates were responsible persons of autonomous prefectural and municipal people's congress standing committees, including those of Kunming, Dongchuan, Wenshan, Chuxiong, Dali, Deqen and Nujiang, and provincial relevant departments.

The resolution which was passed by the 14th meeting of the 5th provincial people's congress standing committee this afternoon, after conducting further discussion of the draft of the revised constitution, points out that, since the publication of the draft of the PRC revised constitution, people of all nationalities throughout the province have fervently discussed it. The resolution provides as follows:

"First newspapers, journals, broadcasts and TV programs must penetratingly publicize the basic spirit and contents of the draft of the revised constitution to the masses and strengthen reporting on the situation of discussion to the people of all nationalities. All places must make full use of all means of propaganda and use many forms to seriously grasp propaganda work well. They must further whip up an upsurge of publicizing, studying and discussing the draft of the revised constitution.

"Second, state organs at the provincial level, the organizations of all political parties and all people's organizations, enterprises, units, universities and colleges must sum up experiences in discussion at the preceding stage and, on the basis of understanding the basic spirit of the draft of the revised constitution, must discuss it article by article and sentence by sentence. They must put forth views for revision.

"Third, in June and July, the organs, schools, enterprises, units, urban streets and roads of all prefectures, autonomous prefectures, municipalities and countries must spend a certain period of time on serious discussion and put forth views on revision. Prefectural, autonomous prefectural, municipal and country leadership organs must use all kinds of methods to train a large number of propagandists and send them deep into the grassroots levels to do well in publicity and explanation.

"Fourth, in rural areas, we must universally publicize and explain the draft of the revised constitution to the masses and, in the light of the actual situation, make it clearly understood by the masses. In the light of the specific situation, all places must arrange a period of time for the masses to study it and put forth views on revision. Minority-nationality and border areas must also train minority-nationality propagandists and publicize and explain the draft to the masses in minority-nationality languages.

"Fifth, the views on revision which people of all nationalities put forth in the course of discussion must be summed up respectively by prefectures, autonomous prefectures, municipalities and all systems at the provincial level and reported and then submitted to the provincial people's congress standing committee before 10 August so that the provincial people's congress standing committee can compile and report them to the committee for revision of the Constitution of the PRC."

HAN YING ADDRESSES SEVENTH BEIJING CYL CONGRESS

HK180242 Beijing ZHONGGUO QINGNIAN BAO in Chinese 10 Jun 82 p 1

[Report: "Han Ying, First Secretary of CYL Central Committee, Speaks at Seventh Beijing Municipal CYL Congress"]

[Text] CYL organizations should give full play to their wisdom and strength and serve as a brave shock force worthy of the title. This was put forth by Han Ying, first secretary of CYL Central Committee, at the opening session of the Seventh Beijing Municipal CYL Congress on the afternoon of 9 June.

In his speech, Comrade Han Ying said: Your present congress has put forth the slogan of "serving as a brave shock force in building a modern capital." This slogan conforms with the spirit of the CCP Central Committee, is characteristic of our time and represents the aspiration of the youth. This is an inspiring fighting slogan.

Comrade Han Ying said: In order to serve as a heroic shock force worthy of the title, we must first have a clear aim and profound faith. We are engaged in an unprecedented and magnificent undertaking. It is not easy to attain this magnificent goal. There will be many difficulties and setbacks may also occur. However, as long as we firmly believe that the undertaking for which we are fighting is conducive to the country and nation and beneficial to the people and future generations, and that this undertaking will certainly win the support of the people, will become an undertaking in which the masses conscientiously participate and will inevitably triumph, we then will be able to overcome whatever difficulties we may encounter and tide over any setbacks we may suffer.

Comrade Han Ying said: In order to serve as a brave shock force worthy of the title, we must arm ourselves with Marxist world outlook and with modern science and technology. Shock teams are not cheering squads but are fighting forces in the van with very high fighting capacity. How can we acquire fighting capacity? In the final analysis, we must properly arm ourselves in two aspects. We should increase the youth's consciousness by various means and help them have a correct view on the significance of life and accept revolutionary and scientific world outlook and methodology. We also firmly believe that the young people will seek truth and that Marxism-Leninism-Mao Zedong Thought will win them over. Recently, youths in some localities have organized themselves on their own accord to study Marxism-Leninism-Mao Zedong Thought. This is the symptom of a trend which represents the orientation of millions of young people. We should give guidance according to its course of development and let Marxism-Leninism-Mao Zedong Thought call forth the tremendous strength of this generation of young people. At the same time, we should organize the youths to acquire cultural and scientific knowledge. In order to realize the modernization program, true skills and scientific knowledge are needed. Only if we are truth armed with a Marxist-Leninist world outlook and with modern scientific and technological knowledge can we stand at the forefront of the trend of our time and give full play to our abilities in carrying out the modernization program.

Comrade Han Ying said: In order to serve as a brave shock force worthy of the title, we must dare to practice and dare to explore. What is before pioneers is always a new road and new tasks. This is true of the past, present and future. Without the spirit of daring to change heaven and earth, we will find no way out and will not be able to move a single step. As a shock force, we cannot wait for others to tread a path for us to advance but should blaze a trail ourselves. Young people are in the prime of their lives. They dare to think, to act and to break through and hold the least conservative ideas. We should preserve and develop this valuable dashing spirit of theirs. On the march to build a modern and strong country, we are bound to meet many new problems.

However, if we dare to practice, dare to explore, learn modestly and study hard, we will certainly be able to overcome one difficulty after another, accumulate richer and richer experience, gradually understand and grasp the objective laws in modernization and push our undertaking forward.

Comrade Han Ying said: In order to serve as a brave shock force worthy of the title, we must unite with the young people, work with them as one and advance together. As the core of this contingent, the CYL should take the lead in strengthening unity, observing discipline, helping each other and promoting common progress. We should be good at taking into consideration the characteristics of the youths, showing concern for their direct interests, listening to their demands and helping them to overcome their troubles at home. We should try in every possible way to arouse the enthusiasm of each youth and pay special attention to those who are lagging behind so that all youths may display their talent and make their greatest effort in their work.

Leading comrades of the Beijing Municipal CCP Committee were also present at the meeting. Jiao Ruoyu, second secretary of the municipal CCP committee, spoke at the meeting.

GU MU INSPECTS EARTHQUAKE DAMAGE IN TANGSHAN

HK170419 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 10 Jun 82

[Excerpts] According to Tangshan LAODONG RIBAO [TANGSHAN LABOR DAILY], Gu Mu, secretary of the CCP Central Committee Secretariat and state councillor, inspected reconstruction work at Tangshan municipality on 3 and 4 June. He was accompanied by Liu Ying, deputy secretary of the Hebei Provincial CCP Committee. This was the fourth time Comrade Gu Mu has inspected Tangshan since the earthquake.

After arriving in the city on the afternoon of 3 June, he first listened to a report delivered by a responsible comrade of the municipal CCP committee on new progress in reconstruction work in the past 2 years and readjustments to the general plan. On the morning of 4 June, he carried out on-the-spot inspections in Hubei, (Jichanglu) and (Zhaozhuang) Districts. He also visited the workers of the Handan municipal no. 2 construction company. He had high praise for the achievements of these workers and expressed the hope that they would continue to forge ahead and attain national first class standards. He also asked with concern about the workers' education and technical and cultural training. He demanded that, while helping to rebuild Tangshan, they fulfill their tasks even better and, still more, steel their ranks and improve their political, technical, professional and cultural levels.

HEBEI MEETING ON MAO LITERATURE, ART THOUGHT

HK170525 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 10 Jun 82

[Summary] The Hebei Provincial Literature and Art Federation and the federation of philosophy and social science associations held a discussion meeting on Mao Zedong's literature and art thought from 31 May to 5 June. The participants seriously studied Comrade Mao Zedong's 15 letters to literature and art figures, Comrade Chen Yun's 1943 speech, and Comrade Hu Qiaomu's "On a Number of Current Problems on the Ideological Front." The participants held: "Mao Zedong's literature and art thought is an important component part of Mao Zedong Thought. It is a complete and scientific system. Comrade Mao Zedong's literature and art theories, especially his 'Talks at the Yanan Forum on Literature and Art,' expound on a whole series of problems of theory, principle and policy in proletarian literature and art work. They have played a major guiding role in developing China's proletarian literature and art. Mao Zedong's literature and art thought remains the guiding principle our literature and art work must follow, now and in the future."

"Since the 3d Plenary Session of the 11th Central Committee, the Central Committee has readjusted the literature and art policies and put forward the slogan that literature and art should serve the people and socialism. This is a major development of Mao Zedong's literature and art thought. The reality of literature and art work is right now proving the correctness of this slogan, and it is bound to play an important role in developing literature and art work in the new era."

The participants pointed out: "Hebei has scored notable success in literature and art theoretical work in recent years. However, we still lag behind fraternal provinces and municipalities and cannot meet the needs of the development of all literature and art work. In order to change this situation, the literature and art theory workers must make big efforts, and the leadership departments must attach importance to this work and take effective steps to strengthen the organizational and ideological building of the literature and art theoretical force."

Xu Chunxing, member of the standing committee of the provincial CCP committee and director of the propaganda department, and Deputy Director Lu Yi spoke at the meeting on 5 June.

HEBEI LEADER SPEAKS ON INDUSTRY, AGRICULTURE

HK170605 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 12 Jun 82

[Summary] The Hebei Provincial CCP Committee and People's Government held a telephone conference on 11 June, which demanded that all prefectures, municipalities and departments take effective steps to promote industrial production and summer farmwork and win new victories in production. Provincial CCP Committee Secretary Liu Bingyan presided at the meeting. Provincial CCP Committee Secretary and Governor Li Erzhong made a speech.

Li Erzhong said: The province has recorded steady growth in industry and communications production this year. Total value of industrial output from January to May was 7.9 percent more than in the same period last year. This included a rise of 10.7 percent in light industry and 5.5 percent in heavy industry. The increase in collective enterprises exceeded that in enterprises owned by the whole people.

Li Erzhong continued: "We are now at a crucial moment. The summer and the rainy season have arrived. In particular, July and August are rather difficult months for production. This period has a bearing on whether the tasks for the whole year can be better fulfilled." It is necessary to pay attention to the difficulties and also stimulate our drive and strive to improve summer production compared with last year. The following tasks must be tackled well:

1. Take precautions against summer heat and promote safety work. Although the province is suffering drought at present, it is essential to take precautions against floods and waterlogging, and ensure normal production during the summer and the rainy season.

- "2. Promote the production and allocation of coal, power, and transport. At present the province is suffering drought, and it is also the season for summer reaping and sowing. It is necessary to do everything possible to give priority to agriculture for electric power so as to support the fight against drought and summer reaping and sowing. It is also necessary to ensure normal industrial production. The electric power departments must do everything possible to generate and supply more power. Apart from that, there are two main ways of solving the problem, since responsibility systems in use of power have been applied. First, it is necessary to make rational arrangements and improve allocation. The province should limit power supplies for enterprises with high power consumption, great waste and poor economic returns. This should be done in accordance with making a comprehensive analysis of economic returns and ensuring supplies for the key enterprises. Second, it is necessary to economize in power consumption."

3. Further enhance all economic and technical indexes, centered on improving economic returns.
4. Strengthen leadership over industrial production. Leaders must get to the frontline to help the enterprises overcome difficulties and maintain normal production through the summer.

Comrade Li Erzhong made three demands on current agricultural production: 1) do a good job in summer farmwork; 2) simultaneously fight drought and take precautions against floods; 3) prepare for wheat sowing in autumn.

NEI MONGGOL URGES FIGHT AGAINST ECONOMIC CRIMES

SK180449 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 17 Jun 82

[Excerpt] According to our correspondent (Yan Ping), the Nei Monggol Autonomous Regional CCP Committee recently approved and transmitted the minutes of the meeting sponsored by the discipline inspection commission under the regional CCP committee on strengthening leadership over the struggle against economic crimes and thoroughly carrying forward the struggle. In approving the meeting minutes, the regional CCP committee urged the party organizations at all levels throughout the region to earnestly implement the minutes in line with their actual situation.

Not long ago, the standing committee of the regional discipline inspection commission and departments concerned sponsored a joint meeting to emphatically discuss ways to strengthen leadership over the struggle against economic crimes and thoroughly carry forward the struggle. A summary was made of the meeting minutes.

The summary of the minutes contends that the struggle against economic crimes has been fully under way since our region began to implement the emergency circular issued by the central authorities and that the struggle is developing well. As of 20 May, the region exposed over 1,400 economic crimes and dealt with over 130 cases. Before 20 May, there were over 140 criminals throughout the region who had surrendered themselves to authorities. The region confiscated illegal cash and articles worth over 1,783,000 yuan. However, some leading cadres have not attached great importance to the struggle due to insufficient time and efforts in launching the struggle in an all-round way and arousing the people ideologically.

The summary of the minutes notes: To deal blows at economic crimes is an important and long-term task imposed on civilians and armymen throughout the region in the days to come. Party organizations at all levels should strengthen their leadership over the struggles. Each level of authority should effectively exercise its power in conducting supervision and investigations in a timely manner and in solving problems in a down-to-earth way. In thoroughly launching the struggle, problems arising in leading bodies at league, municipality, department and bureau levels should be dealt with by the regional CCP committee. Stress in current work should be laid on doing a good job in waging the struggle among the regional-level organs.

The summary of the minutes stresses: The key to successfully launching the current struggle against economic crimes and achieving immediate results lies in doing a good job in investigating and dealing with major and serious cases. To grasp the work well, stress and make a breakthrough as soon as possible among serious cases, the region has transferred 15 cadres at department and bureau level from the regional level organs and 15 cadres at section level from the regional discipline inspection commission to organize an investigation group which is dispatched to leagues, municipalities and agricultural production areas in an effort to investigate and deal with serious cases at an early date.

HEILONGJIANG'S YANG YICHEN AT SOYBEAN EXHIBIT

SK140316 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 13 Jun 82

[Excerpts] According to our sources, the Heilongjiang provincial scientific and technical committee recently sponsored a seminar in Harbin municipality on comprehensive utilization of soybeans. During the seminar, an exhibit was held displaying over 60 varieties of new products and foodstuffs made from soybeans. Visiting the exhibit were leading comrades from the provincial CCP committee, the provincial people's congress and the provincial people's government, including Yang Yichen, Chen Lei, Zhao Dezun, Wang Yilun, Chen Jianfei, Wang Zhao, Wang Jun and (Wang Guangwei). Deputy Governors Li Rui and Xie Yunqing attended and addressed the seminar. At the seminar, participants exchanged their experience gained in making use of soybeans in production in a comprehensive way, analyzed the developing trends and defined the orientation of soybean comprehensive utilization, projects to tackle key problems in this regard and issues concerning technology and economic policy.

At the seminar, participants proposed that on the basis of conducting investigations and studies, efforts should be made to draw up special plans as soon as possible for making use of soybeans in production in a comprehensive way, earnestly devise ways to solve problems concerning technology and economic policy and accelerate progress in tackling key problems in science and technology and steadily popularizing achievements scored in conducting scientific and technical research. It is also necessary to strengthen the building of scientific and technical research units in this regard, do a good job in training technicians and upgrading their technical standard and vigorously conduct propaganda and popularization work for foodstuffs made from soybeans to advance comprehensive utilization of soybeans throughout the province.

HEILONGJIANG RADIO ON ECONOMIC CRIME STRUGGLE

SK170940 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 16 Jun 82

[Station commentary: "It Is Necessary To Make Persistent Efforts To Lead the Struggle Against Economic Crimes In a Thorough Way"]

[Text] The serious corruption and graft case exposed by Yichun municipality, Heilongjiang Province, with (Zhang Jiwei) as the prime offender, has been investigated. It is proved that (Zhang Mingxian), deputy secretary of the Yichun Municipal CCP Committee and deputy mayor of the city, and (Zhang Chengguo), member of the Yichun Municipal CCP Standing Committee and deputy mayor of the city, are involved. The provincial CCP committee took the circumstances into consideration and adopted measures in pushing the city to conduct a thorough investigation.

Judging from the serious case of the Yichun municipal party committee member, the key to successfully leading the struggle against economic crimes in a thorough way lies in strictly punishing all state officials, particularly leading cadres, who have committed crimes. As a matter of fact, many serious economic criminal cases often involve state officials and a few cadres in power. Localities and units throughout the province should examine and sum up their work in the struggle of the former period. With definite objectives in mind, they should solve some problems. For instance, although localities have exposed some serious cases, their progress in dealing with these cases is slow. Some encounter obstacles and difficulties in dealing with them. As a result, personnel in charge of these cases often take a passive attitude. This has greatly hindered the development of the struggle. Some localities have not made a breakthrough in the struggle. Another reason for these problems is that cadres and the masses are not fully confident in waging the struggle. Localities and units must review their work in the struggle of the former period, see what they have and have not done and devise ways to grasp the struggle thoroughly and successfully.

Many localities in our province have enacted responsibility systems to deal with economic cases. This is an important measure to accelerate the development of the struggle. However, it is necessary to define the duties among cadres who have taken responsibility for handling cases, such as who is responsible for conducting investigations to seek evidence and who is responsible for tracing illegal earnings and articles or making final decisions on cases. In this way, leading cadres responsible for dealing with cases have clear duties so that we can ensure smooth progress in launching the struggle in a thorough and down-to-earth manner.

HEILONGJIANG FINANCIAL CONSOLIDATION MEETING ENDS

SK141054 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 13 Jun 82

[Excerpts] According to our reporter, the provincial experience-exchange meeting on financial consolidation for rural communes and brigades concluded on 11 June. The meeting urged various rural areas to continually, penetratingly and thoroughly conduct financial consolidation in brigades and production teams, improve management and raise economic results so as to increase agricultural income and reduce expenditures.

Since May 1981, 80 percent of production teams in our province's rural areas have conducted financial consolidation. Of them, 64 percent have conducted financial consolidation once and instituted and perfected the financial management systems. Most production teams have instituted the system of assigning fixed quotas for expenses and the subsistence system in monetary affairs. Some 60 municipalities and counties have drawn up a unified chief source for expense quotas and thus enabled the collective financial affairs to embark on a road of planned development. At the same time, a crackdown has been made on criminal activities such as graft and embezzlement, appropriating collective property and damaging the collective economy. Unhealthy tendencies of wining and dining extravagantly and giving dinners and sending gifts to curry favor have been stopped. The inventory of collective funds has been clarified.

However, some localities paid no attention to financial consolidation and failed to list it as an item on their daily agenda. Some localities managed and utilized collective funds in an improper manner and, as a result, a great amount of accumulation funds were overspent and arrears and funds on account increased continually. In addition, the poorly organized financial and accounting contingent and the poor management methods adversely affected the economic accounting and financial management.

The meeting demanded: Financial consolidation in various production teams should be basically completed by this year. Every production team should curb 1,000 yuan of expenditures under the prerequisite of increased income. By doing so, some 60 million yuan of expenses will be conserved throughout the province.

SHAANXI RIBAO ON IMPROVED IDEOLOGICAL WORK

HK180531 Xian SHAANXI RIBAO in Chinese 9 Jun 82 p 1

[Commentator's article: "Heighten Understanding, Further Step Up Ideological and Political Work in Industry and Communications"]

[Text] At the national conference on industry and communications, Comrade Zhao Ziyang pointed out: "In the new situation, ideological and political work should not be weakened. On the contrary, it should be strengthened." This has put forward an important task to the leading comrades at various levels in the industrial and communications enterprises: During the new period of the four modernizations movement, we must attach importance to ideological and political work and, in accordance with the practice of revolution and construction since the founding of the PRC, earnestly and systematically sum up experience in ideological and political work, study the tasks, characteristics and methods of ideological and political work in the new situation, and step up this work thoroughly.

Our party has always attached importance to ideological and political work. Since the 3d Plenary Session of the 11th CCP Central Committee, the industrial and communications enterprises of our province have adhered to the four basic principles and strengthened ideological and political work. We have made great achievements in implementing the party's various policies, emancipating our minds, bringing order out of chaos, clearing away the influence of "leftism," overcoming laziness and weakness, advocating the building of spiritual civilization, and dealing heavy blows at serious crimes in the economic field. By so doing, we have brought into full play the effect of powerful mobilization in ideology and politics, thus guaranteeing the smooth progress of economic readjustment and the fulfillment of the state's plan.

However, ideological and political work in the industrial and communications enterprises of our province is at present worse than it was before the "Cultural Revolution". Many good traditions of the party have been forgotten and abandoned. It is a common phenomenon that little importance is attached to ideological and political work. Also it is a common phenomenon to be unskilled in ideological and political work.

Political work is the lifeline of all economic work. All the work is done by people. Usually one thinks about this or that when one is working. Ideological and political work has to be done if we want to accomplish anything. With ideological and political work done well and the ideological problems solved well, we are well on our way to success. Today, not only do we want to build up material civilization of a high standard, we also want to build up spiritual civilization of a high standard. Spiritual civilization stimulates the construction of material civilization, while material civilization guarantees the construction of spiritual civilization. Therefore, ideological and political work should not be neglected when doing any work in any departments and units. On the contrary it should be placed in a leading position.

During the new period of socialist construction for modernization, we must stick to the viewpoint of unity of politics and economics, stick to the method of doing ideological and political work together with economic work, and carry out ideological and political work in every link of economic activity so as to guarantee that economic work will march forward toward the correct orientation of construction for the four modernizations in accordance with objective economic laws. In this field, there will be a very difficult task in ideological and political work in the industrial enterprises: While curing the spiritual wounds caused by the 10-year chaos and clearing the influence of "leftism," it is all the more necessary for us to pay close attention to the current resurgence and spread of rightist deviation. For instance, our open-door policy has brought about many useful things as well as germs. Therefore we have to use the method of dividing one into

two, which means we can only absorb the good things of others and must refuse to accept the decadent and backward things. After all, our party's ideological and political work aims at solving the problems of the people's ideological viewpoint and political stand, so as to mobilize the cadres, staff and workers to fight for the present and long-term revolutionary objective.

Faced with such difficult tasks, the party organizations at various levels on the industrial and communications front must further strengthen their leadership over ideological and political work and clear up various kinds of erroneous understanding regarding ideological and political work. In recent years, due to the misunderstanding of the party's policy of emancipating the mind, the opening up to foreign countries while enlivening the domestic economy, some comrades have, relying solely on economic methods, exaggerated the effect of bonuses to an inappropriate degree. They even preach the bourgeois fallacy of "money can do everything". As a result, there has appeared an erroneous tendency of weakening and negating ideological and political work. Untraleftist slogans and dogmas, which are formalist and divorced from economic work, are absolutely not the propaganda of Marxism-Leninism-Mao Zedong thought on the ideological and political work. It is precisely because we have brought order out of chaos in this respect that we have today restored and reestablished the glorious tradition of party ideological and political work. We absolutely cannot neglect and weaken ideological and political work. We absolutely cannot neglect and weaken ideological and political work itself just because we have criticized some ultraleftist and formalist things. Nor can we harbor the thought that political and ideological work is useless and rely on economic measures of money or material reward to mobilize the labor enthusiasm of the workers. If we cannot distinguish between ideological and political work which centers on basic theoretical education in communist thought and Marxism to enlighten the revolutionary awareness of the workers, on the one hand and the ultraleftist junk of the Lin Biao and Jiang Qing counter revolutionary cliques on the other, it is possible that we might go from one extreme to another, and negate and do away with ideological and political work.

At present, the first group of enterprises to be straightened out in an all-round way on the industrial and communications front of our province are earnestly carrying out their work, in which the strengthening of ideological and political work constitutes an important part. Meanwhile, the four basic principles must be strictly adhered to whether in the reorganization of leading bodies or in the readjustment of fundamental economic work and labor discipline. The principle of simultaneously caring for the state, the enterprises and the individual must be adhered to. Education in communist spirit and socialist system must be carried out in every field. While laying stress on the strengthening of ideological and political work, it is only natural that we will pay attention to the economic measure of material reward. Material reward and the reward for overfulfillment of quota and best quality are the concrete reflection of the socialist system of distribution according to work. Though belonging to the economic field, this also includes the ideological factor of socialism. Only by attaching great importance to and strengthening the leadership over ideological and political work and upholding the principle of doing ideological and political work together with economic work, can we bring into full play the powerful effect of ideological and political work in the course of straightening out the enterprises. By so doing, we can greatly upgrade our standard of management through straightening out the enterprises and achieve better economic results so as to make a new breakthrough in industrial production.

LIEN HO PAO NEGOTIATIONS WITH COMMUNISTS

OW172121 Taipei LIEN HO PAO in Chinese 13 Jun 82 p 2

[Editorial: "Necessary Understanding and Conditions for Solving the China Issue Through Negotiations"]

[Text] At the reception honoring the participants of the 11th Sino-American conference on mainland China held recently, Premier Sun Yun-hsuan of the Executive Yuan delivered a brilliant speech entitled "The China Issue and China's Reunification." In his speech Premier Sun quoted an eminent passage from the late U.S. President Kennedy's inaugural speech that "the United States would never fear to negotiate but would never negotiate out of fear." He also quoted President Reagan's 1982 State of the Union message that "America will negotiate only from a position of strength." These views show the position and attitude that should be adopted by a responsible government toward "negotiations." These two quotations epitomize the concept of conducting "negotiations with strength" often mentioned in Western political science. They also reflect the basic position of our government toward the Chinese Communist proposal for "peace talks."

In Western political science, holding "negotiations" has always been regarded as one of the effective methods in settling disputes between two sides. Many Western scholars in the field of political science hold, as a matter of course, that when two groups have a dispute they should sit down and conduct negotiations to solve common problems. They should do so if both of them are unwilling to resort to the use of force. Thus, Western political science has already evolved many principles and skills, teaching the two antagonists how to clarify their respective stands, avoid making threats, understand the views of the other and seek common interests in the course of conducting negotiations so as to reach a bilateral agreement. Under this kind of cultural background, the politicians in Western countries often fail to understand why we have persistently refused to conduct negotiations with the Chinese Communists.

They do not realize that "negotiations" under the Western concept are totally different in meaning from the so-called "negotiations" of the communists. The negotiations held by the Westerners are aimed at solving problems, while the communists have never denied that "peaceful negotiations are only means, while struggle and war are basics for solving problems." The Westerners stress "negotiations with strength." They believe that both sides participating in the negotiations must maintain their own strength and show sincerity in solving their common problems. Only then will it be possible to conduct sincere negotiations. However, on the one hand the Chinese Communists have tried their best to weaken our side; on the other hand, they seek to force our side to accept terms for negotiations equivalent to capitulation and suicide. We would like to ask a question: The Chinese Communists warn the United States against the sale of military equipment to the Republic of China under the threat of downgrading diplomatic relations. What threat and ill will is couched in this warning? The Chinese Communists demand that all nations that have diplomatic relations with them refrain from setting up representative agencies in Taiwan. Is this not an effort to weaken us? The Chinese Communists have time and again announced: The precondition for the "peaceful unification" of China is to downgrade the Republic of China to "provincial government" under the control of the Chinese Communists. At the same time, they have never ruled out the possibility of invading Taiwan, Penghu, Kinmen and Matsu with force. Under this kind of threat and intimidation, how can we see the slightest trace of sincerity from the Chinese communists in solving "common issues" through negotiations?

We completely agree with Premier Sun's view that the issue facing the Chinese people on both sides of the Taiwan Strait today is one of "under what system will China assure the affluence, freedom and happiness of the Chinese people." We sincerely hope all the Chinese people will ponder this serious question. At the same time, we also hope the Chinese Communist leaders will continue to learn from Taiwan's experience in development, practice the three principles of the people with actual deeds and actively seek to improve the people's livelihood.

"If the political, economic, social and cultural gaps between the Chinese mainland and free China continue to narrow, the conditions for peaceful reunification can gradually mature." Only then will we believe that the Chinese Communists have the sincerity to solve the China issue. If the Chinese Communists refuse to meet these conditions, and if they stick to their ideology, exert no efforts to fundamentally solve the China issue, try 1,001 ways to weaken us, force us to accept terms for negotiations equivalent to capitulation and intend to "unify" the prosperous and affluent Taiwan with their poor and backward mainland, all the Chinese people living in Taiwan will vow to put up resistance through to the end. Also, all the Chinese people who uphold freedom and democracy will also rise to oppose the Chinese Communists.

"Reunification" should be the final procedure in solving the China issue. We hope the United States and other free nations will understand the different meaning of "negotiations" between the Western world and the communist nations, help us enhance our strength and let the Chinese people on the two sides of the Taiwan Strait achieve their goal of reunification when the conditions for this reunification have matured. We also hope that they will not be fooled by the Chinese Communists, who are vigorously carrying out their united front work for "peace," and that they will not help the Chinese Communists do evil and weaken us.

RADIO NOTES SUSPICION OF U.S. ASSURANCES

OW180633 Taipei International Service in English 0100 GMT 18 Jun 82

[Station Commentary]

[Text] Walter Stoessel, the No 2 man in the U.S. State Department, testified on China relations before the Senate Foreign Relations Committee the other day. He denied that the Reagan administration had any intention of scrapping the Taiwan Relations Act which provides for U.S. sales of defensive weapons to the Republic of China. At the same time, he admitted that the United States was continuing to talk about the arms sales to the Chinese Communists and expressed the hope for a solution to the problem.

How could this be? The Chinese Communists have maintained that the United States has no right to sell arms to the ROC. They claim this is a violation of the Shanghai communique, the recognition agreement with the United States under international law. They also threaten to downgrade relations with the United States if the sales are continued. While what the Chinese Communists really want is Taiwan, they consider disarmament of the ROC military forces a crucial step in that direction.

The Taiwan Relations Act is the law of the United States. It is superior to the executive actions of Presidents Richard Nixon and Jimmy Carter. International law has nothing to do with these factors. Regardless of the unofficiality of its relations with the United States, the ROC is a sovereign country. The China problem has not been solved. In the eyes of the ROC, the Chinese Communists are only rebels. What kind of scenario is the deputy secretary of state trying to present? He reassured the ROC and its many friends in the Senate. At the same time, he indicated the Chinese Communists cannot be placated. Could it be that what the State Department has in mind is that the reinterpretation of the Taiwan Relations Act is a way to satisfy the Chinese Communists while leaving the law on the books? This would compel the Reagan administration to reduce arms sales to the ROC to virtually nothing. In a way, that has nearly happened already. For the last year, approvals given by the Reagan administration are under \$100 million compared with the \$700 to \$800 million of recent years.

The last couple of orders were only for parts. Not one major request of the ROC has been approved. No improved fighter aircraft, no missiles, no other modern weapons. The clear implication of the Taiwan Relations Act is for the sales of sufficient weapons to defend the people of Taiwan. At the moment that is not the case, so the ROC can scarcely fail to be suspicious of the supposed assurances.

Senator Barry Goldwater, who visited the ROC, has pointed out that the U.S. Congress has the responsibility of reviewing the administration of the Taiwan Relations Act and of seeing to it that the Executive Branch is carrying out the intentions of the House and the Senate. In view of Mr Stoessel's remarks, the Congress ought to undertake such a review at the earliest opportunity. If the ROC is sometimes suspicious of U.S. administrative motives, it might be forgiven in light of developments during the last decade.

President Nixon said he would never do anything to hurt an old friend and ally, but the ROC lost its seat in the United Nations and the President of the United States signed the Shanghai communique. Jimmy Carter repeated Mr Nixon's reassurances and then recognized the Chinese Communists, derecognized the ROC and scrapped the mutual defense treaty. These administrative actions of the United States were grievously damaging to the ROC and its free cause. Weaker countries might not have survived such a buffeting. Now the United States is saying it approves of the Chinese reunification settlement of Premier Sun Yun-husan. That is welcome. But the required evolutionary changes in the Chinese Communist system require a strong ROC to serve as the reunification model. If the United States truly believes in the China problem being settled by the Chinese people, it should not lean to one side. It should help to assure the defense of the ROC against aggression and it should not do anything to prejudice the base of Chinese freedom and democracy.

DEFENSE MINISTRY DENIES PLANS TO BUY HELICOPTERS

OW170546 Taipei CHUNG SHIH PAO in Chinese 8 Jun 82 p 2

[Text] The Ministry of National Defense said on 7 June that it is absolutely untrue, as reported by newspapers, that helicopters manufactured by three European and American companies were given performance demonstrations recently at a military base in southern Taiwan.

It has been learned that the UH 1 H type helicopters produced by our own air force are performing well and the government is not considering purchasing helicopters from European and American manufacturers. Military circles pointed out that although our country purchases weapons from diverse sources, it is not that simple to purchase precision weapons like aircraft from Europe or the United States.

SCIENTIFIC OFFICES PLANNED IN PARIS, JAPAN

OW170550 Taipei CHUNG KUO SHIH PAO in Chinese 10 Jun 82 p 2

[Text] It is reported that the French Government has agreed in principle to let our country set up a scientific and technical office in Paris and that our government departments concerned are now actively making preparations to turn this office into a stronghold for promoting scientific and technical cooperation with West European countries in the future.

To develop international scientific and technical cooperation and to elevate scientific and technical level at home quickly, our government departments concerned have made indefatigable efforts in recent years in establishing close contacts with various countries and in identifying various possible forms of cooperation. At present, Japan has agreed to let our country set up a scientific section under the East Asia relations association in Tokyo starting in July of this year. Our country will station three scientific and technical representatives there to promote Sino-Japanese scientific and technical exchanges.

In the meantime, after planning and consultations in many ways, the French Government has agreed in principle to let our country set up a scientific and technical office in Paris. This is important to establishing scientific and technical and economic relations between our country and other West European countries.

Some departments concerned indicated that our country has maintained good relations with other countries in scientific and technical cooperation and that, besides signing agreements for scientific and technical cooperation with the United States, Korea and South Africa, our country has also signed bilateral agreements for scientific and technical cooperation recently with France, West Germany, Saudi Arabia, Singapore, Japan and El Salvador.

Contacts are currently being made with Norway, Sweden, the Netherlands, Denmark and Austria in the main in West Europe. In Asia, discussions are being conducted with Indonesia on establishing relations for scientific and technical cooperation.

In addition, government departments concerned are expected to expand cooperation in clinical medicine previously signed with the United States and South Africa. Departments concerned also said that with more countries paying increasing attention to scientific and technical development in our country and showing more interest in cooperation, our government will take advantage of this opportunity to actively expand the scope of international cooperation.

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